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昭和27年8月8日国鉄特別取扱認雜誌外2335号

毎月1日発行

昭和35年2月1日発行 ©

The ORIENTAL ECONOMIST

ESTABLISHED 1934

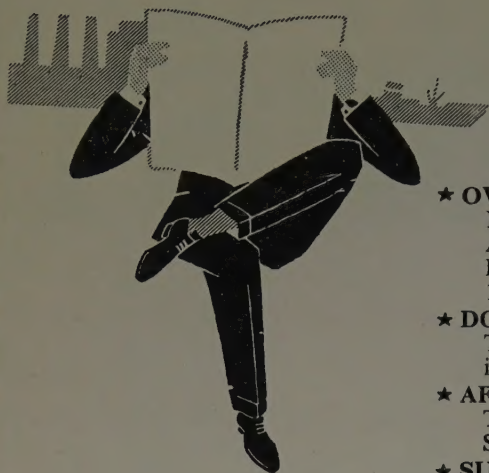
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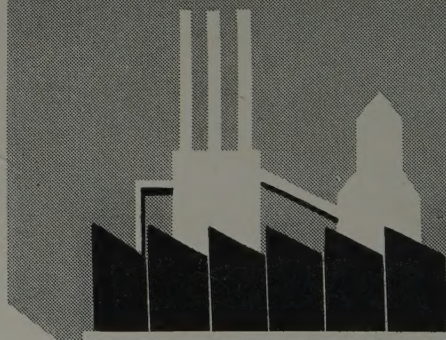
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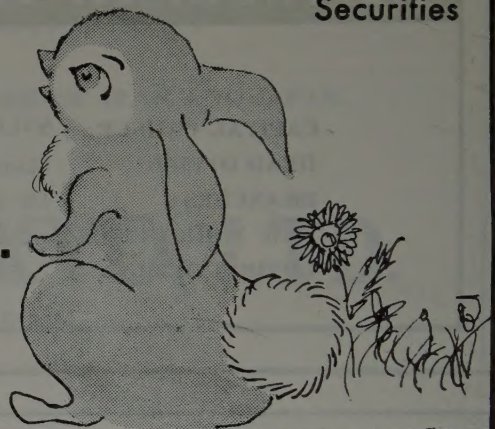
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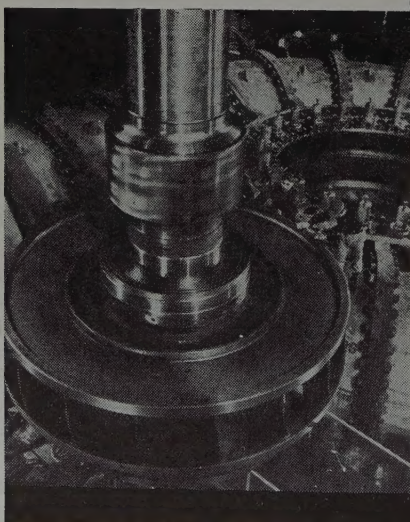


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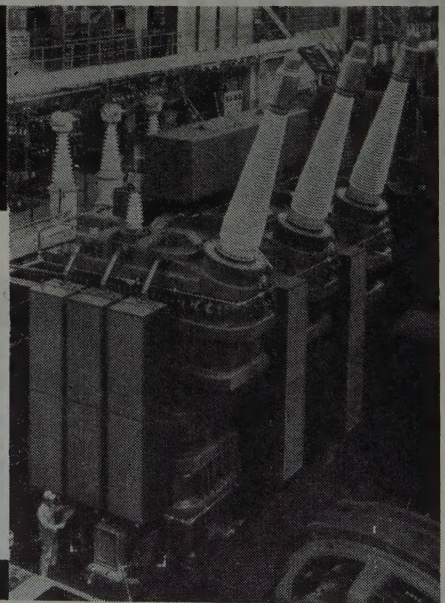


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The ORIENTAL ECONOMIST

VOL. XXVIII

FEBRUARY, 1960

No. 592

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Review of the Month

THE new Treaty of Mutual Cooperation and Security between Japan and the United States of America was signed by U.S. State Secretary Christian A. Herter and Japanese Prime Minister Nobusuke Kishi in Washington on January 19, and a joint communique by JAPAN-U.S. President Dwight D. Eisenhower and Prime Minister Kishi followed. The new treaty, together with the fiscal 1960 budget plan, will be submitted to the 34th ordinary session of the National Diet reopening in the latter part of January for ratification. With the Opposition bitterly opposed to the pact, however, a stormy exchange of debates is expected to precede the ratification. The attitude of the Japanese people toward the revised security pact may be roughly divided into three groups. The first group approving the conclusion of the revised pact is largest in number, followed by the group, although smallest in number, opposed to the revision, and the last group is quite ignorant of the details of the revision, as confirmed by a series of public opinion censuses conducted in the past few months. It is noteworthy, however, that the group in support of the pact includes many who give conditional approvals, and such conditions primarily pertain to the three cardinal points—the obligation of the United States to defend Japan, prior consultation for the movement of the U.S. Forces in Japan to an area outside Japan, and the length of the Pact term. In the new treaty, the U.S. obligation to defend Japan, hitherto left ambiguous, has been clearly defined. The movement of American forces, which previously was possible without notice to Japan, has come to require prior consultation, and the term of the pact, left indefinite before, has been set at 10 years. It is thus clear that the new treaty has been improved, although not perfectly, over the old pact. The criticism that the 10-year term is too long at this time of a thaw is not fully justifiable, as the treaty will remain out of operation if it is a real thaw. Hence, the most controversial issue is the problem of prior consultation. The Japanese Government apparently attempted to change this wording, but was not successful in revising “prior consultation” to “prior agreement.” As far as the provisions of the treaty are concerned, therefore, Japan has not the right to veto. Attacking the Government on this point, the Japan Socialist Party criticized that it is quite dubious whether the statement in the Kishi-Eisenhower joint communique that “the United States Government has no intention of acting in a manner contrary to the wishes of the Japanese Government with respect to the matters involving prior consultation under the treaty” may remain effective even after the exit of President Eisenhower or Prime Minister Kishi from their present posts, since this clause was not incorporated into the treaty proper. In fact, Japan is called upon to rely on America’s goodwill, and the U.S. policy is considered to hold the key to this point as a practical problem. In this connection, therefore, this problem will be the pivot of the parliamentary debate for or against ratification.

The group opposing the new treaty may be further classified into two sectors, the first with the leftist elements at the helm aiming at the eventual abrogation of the treaty through the opposition to the revision in an endeavor to bring Japan closer to the communist bloc through neutralization, and the second, which, while approving the total revision of the pact, is negative to nod to the new pact as the partial revision, as noted in the new pact, is dispensable at this time of kaleidoscopic transmutations in world and domestic circumstances. These two sectors, similarly opposed to the revision, are entirely different in their basic standings. It is the strategy of the leftist elements to try to ally them into the same opposition camp and to draw the third group not well informed of the nature of the pact by exaggerat-

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Single copy ¥200; Annual subscription ¥2,400; Overseas ¥2,700 (\$10). Airmail: Asia ¥3,900 (\$13.33); North America ¥4,200 (\$14.18); Europe ¥6,000 (\$19.25).

Published monthly by *The Oriental Economist*, Nihonbashi, Tokyo, Japan. Tel. (241) 4111.

ing the danger of war upon the conclusion of the treaty. It is because of this leftist strategy that outsiders are apt to be led to the illusion that newly-signed Japan-U.S. security pact is opposed by the majority of the Japanese people. It is considered necessary to grasp the real state of popular thinking in Japan.

THE Government on January 13 decided on the fiscal 1960 general account budget plan and the financial investments and loans program for the same fiscal year. The frame of the general account budget for fiscal 1960

BUDGET PLAN FOR under the draft plan is set at **FISCAL 1960** ¥1,569,674 million, an increase of ¥150,426 million or about 10.0% over fiscal 1959. The corresponding increase in the revenue under the draft plan is covered with tax and non-tax incomes to give it the appearance of a neutral budget, and eventually no tax cut is envisaged. The fiscal 1960 budget plan, as generally termed "a land conservation budget," provides for a bulky (¥55,677 million) increase in expenses for public works projects, comprising a sizable outlay for typhoon damage recovery, a large spending for highway reconstruction and adjustment, and a comfortable boost in the expense for afforestation and riparian undertakings. For the last named, the Government newly creates from fiscal 1960 the riparian special account and the afforestation (state forestation projects) special account to finance the 10-year afforestation-riparian plan costing ¥1,200,000 million (¥920,000 million for riparian projects, ¥130,000 million for afforestation

undertakings, and ¥150,000 million for coast-conservation operations). The expense for tax redistribution to local governments is boosted by ¥34,883 million. The hikes also mark the social security protection expense (up ¥33,740 million over fiscal 1959) and the education expense (up ¥20,458 million). It is noted that these expenses would assume the character of registering natural increases each year. The boost of the expense for redistribution of taxes to local governments is a natural increase corresponding to the gradual increase of the three major taxes (the income tax, the corporate tax, and the liquor tax). In addition, the sum of ¥3,000 million (equivalent to 0.3% of the three taxes) is newly appropriated in the budget plan as the special redistribution to make up for deficits in local finances. The increase in the social protection expense is calculated to cope with the natural hike of the spending for the enforcement of the "nation-wide" social insurance system (such as the national health insurance outlay and the normalization of the national pensions system for non-premium paying strata). The education expense is hiked principally to take care of the increasing number of teachers and the rising scale of their wages. The expense for the Defense Agency is set after deducting from the general defense expenditure the sum of ¥6,000 million comprising the expense of various facilities furnished to the U.S. Forces stationed in Japan and the expense for the U.S. military advisory group. The net increase of the expense for the Defense Agency actually amounts to ¥12,500 million, as the agency's share of ¥11,100 million in the joint defense spending is abolished and the sum of ¥500 million is transferred from the U.S. forces facilities and military advisory group expenses in addition to the boosted appropriation of ¥900 million. New expansion projects to be pushed by the Defense Agency in fiscal 1960 include a 1,500-man construction corps for the Land Defense Force, seven new warcraft (one patrol boat, two submarines, two sweepers, one torpedo boat and one oil-supply boat) and 2,800 personnel to the Marine Defense Force, and 20 training jet planes and a 4,000-man air corps for the Air Defense Force. Other noteworthy features of the fiscal 1960 budget plan are the revival of the subsidy for interest payment by shipbuilders (as a relief measure for depressed industry), a new subsidy for modernization of collieries and the establishment of the medical finance corporation to facilitate financing operations for civilian medical institutions.

THE frame of the State Fund Loans and Investments Plan for fiscal 1960 is set at ¥594,100 million, marking an increase of ¥74,300 million or about 14.0% over fiscal 1959. The prospective resources for fiscal 1960

STATE LOANS & state fund loans and investments

INVESTMENTS PLAN are principally sought from the financial funds (the industrial investments special account, the Trust Funds Bureau account and the postal life insurance fund) which supply ¥482,600 million, an increase of ¥51,600 million over fiscal 1959. Of these three major resources, the fund available from the industrial investments special account is noted to decrease because of the absence of any transfer from the reserve funds (such as that from the fund for the strengthening of the economic foundation) which in fiscal 1959 amounted to ¥18,300 million. The amount of Government bonds to be floated in the new fiscal year is placed at ¥111,500 million, or an increase of ¥22,700 million over fiscal 1959, including the conversions of National Railways and Telegraph & Telephone Public Corporation bonds amounting to ¥11,500 million. In the distribution of state funds in fiscal 1960, allotments to key industries (such as the Japan Development Bank, electric power development projects, and the Export-Import Bank of Japan) are comparatively restricted, while liberal in creases in fund supplies are made for agricultural, forestry and fishery projects and small business (like the Finance Corporation for Agriculture, Forestry and Fisheries, the People's Finance Corporation, and the Small Business Finance Corporation), and housing and road construction

1. Fiscal 1960 Budget Plan*

(In million yen)

	Fiscal 1959	Fiscal 1960	Increases or Decrease
REVENUE:			
Taxes & stamps	1,121,241	1,336,631	215,390
State monopolies	120,125	136,412	16,287
Government enterprises	16,076	17,186	1,110
Miscellaneous income	59,199	62,624	3,425
Surplus carried over from previous fiscal year	80,477	16,821	-(63,656)
Receipt from Fund for Strengthen- ing of Economic Foundation	22,130	0	-(22,130)
Total	1,419,248	1,569,674	150,426
EXPENDITURE:			
Social Protection	147,869	181,609	33,740
Livelihood protection	41,638	46,732	5,094
Juvenile protection & other social welfare activities	9,983	10,809	826
Social insurance	29,361	36,006	6,645
National annuity	11,053	28,918	17,865
Unemployment relief**	39,379	41,736	2,357
Anti-T.B. measures	16,455	17,408	953
Education	159,712	180,170	20,458
Subsidy for compulsory education .	99,085	111,659	12,609
State schools	44,675	49,521	4,846
Educational facilities	11,384	14,230	2,846
Scholarship	4,567	4,724	157
Promotion of Scientific Technology .	22,520	25,180	2,660
Government Bonds	55,373	27,407	-(27,966)
Pensions	122,915	130,015	7,100
Pension for govt. officials	18,388	17,260	-(1,128)
Pension for ex-soldiers & aid to bereaved families	96,752	104,027	7,275
Aid to families of unrepatriated . .	7,775	8,728	953
Tax Redistribution to Local Governments	248,649	283,532	34,883
Special Tax Redistribution to Local Governments	0	3,000	3,000
Defense Expenses	153,665	154,565	900
Reparations Expenses, etc.	32,340	24,023	-(8,317)
Public Works	(232,396)	(288,773)	-(56,377)
Afforestation & riparian projects . .	220,996	276,673	55,677
Highway repairing & construction .	(39,932)	(59,816)	-(19,884)
Port, harbor & air facilities	39,058	58,843	19,785
City, town & drag-road facilities . .	(82,526)	(89,016)	-(6,490)
Agricultural foundation promotion .	(18,751)	(20,939)	-(2,188)
Disaster damage rehabilitation . . .	18,268	20,425	2,157
Mining damage rehabilitation . . .	(8,909)	(10,414)	-(1,505)
Land conservation	8,137	9,642	1,505
Housing & Public Hygienic Measures .	33,733	39,035	5,302
Farm Insurance	(38,132)	(58,142)	-(20,010)
Trade Promotion & Economic Cooperation	38,090	58,092	20,002
Aid to Small Business	534	850	316
Transfer to Food Control Special Account	650	770	120
Reserves	13,742	15,739	1,997
Major Expenses Total	10,852	11,493	641
Miscellaneous	3,813	4,518	705
Grand Total	1,419,248	1,569,674	150,426

* Approximate figures in the General Account.

** Inclusive of Special unemployment relief expenses and temporary employment relief expenses. (also parenthesized).

2. State Fund Loans & Investments Plan for Fiscal 1960

(In ¥100 million)

	Industrial Investment Account	Trust Funds Bureau & Postal Life Insurance Accounts	Bond Insurance	Total
1. Fund Supplies to Private Projects:				
Japan Development Bank	— —	430 (450)	— —	430 (450)
Electric Power Devel. Co.	— (50)	435 (350)	— —	435 (400)
Export-Import Bank	10 (70)	350 (290)	— —	360 (360)
Petro. Resources Develop. Co.	19 (20)	— —	5 —	24 (20)
Hokkaido-Tohoku Develop- ment Finance Corp.	— —	50 (60)	60 (60)	110 (120)
Tohoku Development Co.	5 (5)	— —	18 (25)	23 (30)
Hokkaido Underground Resources Development Corp.	3 (3)	— —	— —	3 (3)
Finance Corporation for Agri- culture, Forestry & Fisheries	70 (70)	258 (215)	— —	328 (285)
Aichi Water Works Corp.	— —	60 (81)	— —	60 (81)
Farmland Development Machinery Corp.	— —	1 (3)	— —	1 (3)
People's Finance Corp.	— —	290 (250)	— —	290 (250)
Small Business Finance Corp.	— —	315 (275)	— —	315 (275)
Central Cooperative Bank for Commerce & Industry	— (12)	30 (20)	— —	30 (32)
Real Estate Bank	— —	10 (15)	— —	10 (15)
Small Business Credit Insurance Bank	18 (10)	— —	— —	18 (10)
Housing Loan Corp.	50 (45)	310 (285)	— —	360 (330)
Japan Housing Corp.	70 (75)	84 (77)	200 (200)	354 (352)
Japan Highway Corp.	— —	66 (84)	105 (65)	171 (149)
Metropolitan Rapid Transit Road Corp.	— —	30 —	52 —	82 —
Workers' Welfare	— —	115 (85)	— —	115 (85)
Medical Finance Corp.	— —	20 —	— —	20 —
Public Enterprise Finance Corp.	3 (5)	— —	135 (100)	3 (5)
Metropolitan Rapid Transit	— —	55 (35)	— —	55 (35)
International Airways	5 (5)	— —	20 (23)	25 (28)
Overseas Emigration Corp.	5 (10)	— —	— —	5 (10)
Passenger Ship Corp.	2 (2)	5 (3)	— —	7 (5)
Japan Broadcasting Corp.	— —	10 —	— —	10 —
Forestry Development Corp.	— —	— (5)	— —	— (5)
Total	260 (382)	2,914 (2,583)	460 (373)	3,634 (3,338)

2. Investments in Government Enterprises:

National Railways	— —	370 (265)	300 (240)	670 (505)
Nippon Telegram & Telephone Public Corp.	— —	25 (25)	55 (25)	80 (50)
Postal Services	— —	27 (27)	— —	27 (27)
Fund for Colonizers	— —	35 (28)	— —	35 (28)
Designated Land Development Multi-Purpose Dam Construction	— —	— (22)	— —	— (22)
Highway Construction & Reconstruction	— —	— (78)	— —	— (78)
Designated Port & Harbor Facilities	— —	— (20)	— —	— (20)
Total	— —	492 (495)	355 (265)	847 (760)

3. Local Bonds:

General Account Bonds	— —	560 (475)	— —	560 (475)
Govt. Enterprise Bonds	— —	160 —	— —	160 —
Public Enterprise Bonds	— —	440 (375)	300 (250)	740 (625)
Total	— —	1,160 (850)	300 (250)	1,460 (1,100)
Combined Total	260 (382)	4,566 (3,928)	1,115 (888)	5,941 (5,198)

Note: 1959 counterparts parenthesized.

3. Prospective Resources for Fiscal 1960 State Fund Loans & Investments

(In ¥100 million)

	Fiscal 1960	Fiscal 1959
Industrial Investment Special Account	260	382
Trust Funds Bureau Account	3,416	2,928
* (Postal Savings)	(1,300)	(1,000)
Postal Life Insurance Fund	1,150	1,000
Total	4,826	4,310

Note: *Included in the Trust Funds Bureau account.

enterprises (such as the Housing Loan Corporation, the Japan Highway Corporation, and the Metropolitan Rapid Transit Road Corporation). The scale of loans extendable by the Japan Development Bank in the 1960 budget is set at ¥66,000 million (including ¥23,000 million out of its own funds), a decrease of ¥2,000 million from fiscal 1959. The Development Bank, however, plans to float foreign bonds to the amount of \$30,000,000 in fiscal 1960. Fund supplies through the Development Bank in fiscal 1960 include ¥20,500 million for electric power (¥4,500 million less than in 1959), ¥14,500 million for shipping (¥3,500 million less), and ¥31,000 million for other industries (¥6,000 million up). In the funds earmarked for "other industries" are included ¥8,000 million for coal and ¥7,000 million for land development projects in the

Kyushu and Shikoku areas. The frame of spendable funds for the Electric Power Development Company is set at ¥46,500 million (including ¥3,000 million out of its own funds), registering a decline of ¥2,500 million from fiscal 1959. The frame of loans to be extended by the Export-Import Bank of Japan is placed at ¥72,000 million (including ¥36,000 million out of own funds), also marking a slip of ¥8,000 million.

The funds earmarked for the National Railways projects in fiscal 1960 total ¥125,200 million (including ¥58,200 million out of own funds), an increase of ¥13,700 million, with the construction of the new Tokaido main line as the principal undertaking. Funds placed at the disposal of the Telegraph & Telephone Public Corporation in fiscal 1960 amount to ¥128,500 million (including ¥120,500 million out of own funds), a boost of ¥43,500 million over fiscal 1959, for the installation of 400,000 new telephones in fiscal 1960 (280,000 in fiscal 1959). In addition, the corporation plans to float \$20,000,000 foreign bonds during fiscal 1960.

THE fiscal 1960 budget plan had hard sledding in the process of its compilation, as the Government draft was finally approved after the lapse of three weeks since the original draft of the Ministry of Finance was laid be-

CRUX OF BUDGET fore the scrutiny of Government COMPILATION and Liberal-Democratic leaders

on December 23. The cardinal cause of the unnecessary procrastination was the absence of the definite budget compilation rules, although other factors such as the superiority complex harbored by party leaders over Finance Ministry bureaucrats, the factional rivalry within the ruling party, and the lack of the Prime Minister's controlling power are also responsible. In politics, the views of party leaders should be held in high esteem, but there is a certain limit. Interference with the compilation of the budget by the ruling party is acceptable only in the stage of setting the basic keynote of the financial policies. After the decision on the general outline of the budget compilation policy through negotiations between party and governmental leaders, the rest of the compilation operations should be left to government experts. Had this formula been adopted, the confusion which preceded the drafting of the final budget plan must have been avoided. In the past practices, the fundamental compilation policy would always be set forth in abstract phrases with the decision on concrete policy measures left to later compromises between the Ministry of Finance with other ministries and party leaders. In these circumstances, it is only natural that party leaders should struggle for better shares in budgetary appropriations for their "sponsors" in the final stage of budgetary compilation. Controversial appropriations in the fiscal 1960 budget such as those for the creation of the Medical Finance Corporation, the revival of the subsidy for interest payments by shipbuilders, and the increases of tax redistribution to local governments and food production increase measures have been made possible through the strong pressure brought to bear by party leaders on the Ministry of Finance after the draft budget frame was set. The steady loss of elasticity in the budget is another noteworthy point in the fiscal 1960 budget plan. In the new budget plan, the tax revenue is liberally estimated up to the maximum, and surplus funds brought over from the preceding fiscal year are fully appropriated, while the best part of the expenditure gain is allocated to take care of the natural increases in the already-appropriated expenses. With the expenses for all major items thus growing fixed, the new expenses such as those for the 10-year forestation and riparian program, and defense operations including the production of Lockheed jet fighters are due to become similarly fixed in and after fiscal 1961. Hence, new revenue resources available in the future are bound to be almost completely swallowed up by such fixed appropriations with no new revenue resources available for new policy projects. In order to conquer the apparent deadlock in budgetary manipulations, a decisive tax reform is considered advisable.

Business Indicators

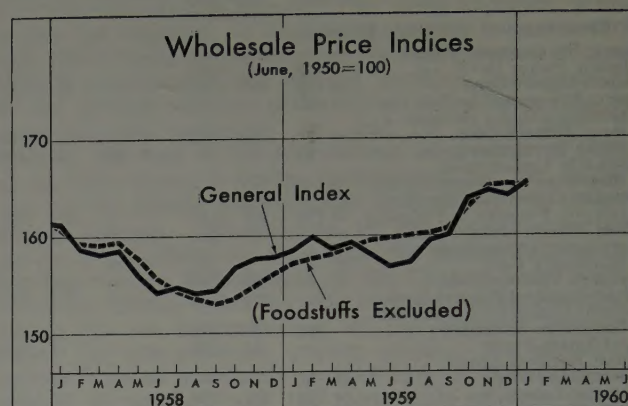
Wholesale Prices :—On December 2, 1959, the Bank of Japan raised the official discount rate with the object of curbing the soaring of prices through the timely restraint on the excessive swelling of credit and the swift boost of investments and purchasing power. After the lapse of more than a month following the discount rate hike, the prices have been comparatively stabilized. The signs of wholesale prices tending toward stabilization became already apparent in the fourth week of November with textiles and steel products starting to soften. According to the Economic Planning Agency, the average index of wholesale prices in the week ending January 2, 1960 stood at 165.5 (June, 1950=100), up marginally by 0.5% over the week ended December 19 chiefly because of the seasonal gain of the prices of food items. Exclusive of foodstuffs, the average index in the interim is noted to have registered a slight dip of 0.2%. During the period under review, foodstuffs alone registered an increment of 3.0% on the spur of the seasonal (year-end) boost of demands. All other groups remained almost intact with textiles and sundries weakening, although chemicals and fuels slightly stiffened. In tracing the individual movements of commodities, carbide and acetone in the chemicals group rose somewhat while charcoal in the fuels group also advanced due to the seasonal demand with gas also up because of the elevation of the monthly charge. On the other hand, spun rayon yarn, worsted yarn, woollen yarn and other items in the textile group softened. Also down were crude rubber (due to the weakening of overseas quotations and increasing imports) and raw hides (because of the slip of the American market quotations) in the sundries group. The prices of iron and steel products, once markedly strong, have also tended stably downward with angles and secondary products (such as common nails and wires) leading the slip. All in all, however, it was a calm turn of the year for the wholesale prices of almost all commodities.

1. Weekly Wholesale Price Indices (June, 1950=100)

	Week end. Jan. 2	Compared with		
		3 weeks ago (%)	A month ago (%)	A year ago (%)
Composite	165.5	0.5	0.8	4.8
Foodstuffs	166.9	3.0	3.2	2.2
Textiles	79.9	↔1.9	↔4.2	1.8
Fuels	170.4	0.1	0.8	0.6
Metals	241.7	Intact	↔0.1	7.5
Machinery	187.5	Intact	Intact	0.4
Bldg. materials . . .	278.7	Intact	2.0	13.4
Chemicals	101.8	0.1	0.4	2.7
Sundries	149.2	↔0.3	0.9	12.9
Insurance	165.1	↔0.2	0.1	5.6

Notes: Comparisons, ↔ declines; others, increases.
Source: Economic Planning Agency.

Production :— The index of industrial production (mining & manufacturing inclusive: 1955=100) in November stood at 194.3, recording a hike of 1.4% over October (the seasonally-adjusted index at 197.7, up 2.0%). The November index was also an increase of 31.4% over



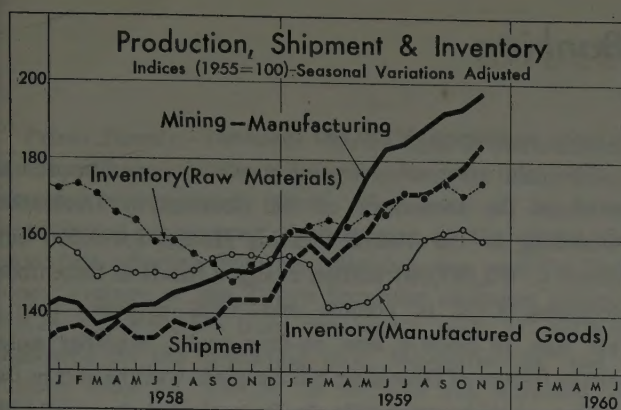
a year ago. The production hike, however, was not overall for mining and manufacturing branches. As the index for the mining group in November was 3.9% lower than a month ago and 2.4% lower than a year ago, as the production of coal and metal products dwindled due to a series of strikes and personnel retrenchments. Particularly down was the output of coal which in November slipped 8.0% from October to 3,827,000 tons. This was the first time since 1955 that the November coal production, with the demand season starting, dived below the 4,000,000-ton mark. With bulky stocks on hand (particularly fuel coal), however, no coal supply shortage is likely. In contrast, production in the manufacturing

2. Industrial Production Indices (1955=100)

	November, 1959*	Compared with November, 1959 (%)	Compared with November, 1958 (%)
Mining & Manufacturing . . .	194.3	1.4	31.4
Mining	116.3	↔5.9	↔2.4
Coal	108.2	↔7.8	↔8.3
Metal Mining	125.0	↔2.5	5.9
Manufacturing	200.8	1.7	33.6
Iron & Steel	190.7	↔1.1	39.6
Non-ferrous Metals	179.6	↔2.3	30.1
Machinery	354.5	1.7	52.2
Ceramics	179.0	2.7	22.7
Chemicals	180.0	1.4	22.2
Petroleum Products	275.4	2.7	36.5
Coal Products	147.6	↔2.8	18.8
Rubber	211.5	↔1.2	34.5
Hides & Leathers	122.5	↔8.0	↔0.7
Pulp	173.2	0.4	33.7
Paper	173.2	↔1.4	29.5
Textiles	153.3	6.0	25.8
Sawing	118.1	Intact	2.1

Notes: *preliminary; ↔ decreases; others, increases.
Source: Ministry of International Trade & Industry.

sector continued brisk in November, with the index for the month (compiled by the Ministry of International Trade & Industry) rising 1.7% over a month ago to 200.8, up 33.6% over a year ago and more than double the 1955 mark. The active showing of the manufacturing sector in November was partly due to the swift recovery of industrial plants damaged by the Ise Bay typhoon, although the stiff tone of business is noted to have offered a major stimulant. On the itemized list, iron and steel, non-ferrous metals, coal products, rubber and leather receded slightly from October, but machinery, chemicals, petroleum products and textile goods continued to hike. In the



machinery branch, electric machines particularly swelled on the strength of the continuously increasing demand for generation and transmission equipments as well as household electric appliances. In the chemicals branch, basic and organic chemicals and synthetic resins especially forged ahead while fertilizers almost stood still. Textiles increased in unison with new peaks registered by chemical and synthetic fibres like nylon, vinylon, vinyliden chloride, acrylonitriles and polyethylene. The November production of iron and steel products marked time, although the index was some 40.0% higher than a year ago.

Foreign Trade:—The fair growth of domestic production, although mainly attributable to the swift expansion of home demand, is partially due to the notable leap of foreign trade. For Japan depending greatly on supplies from overseas for major raw materials, the smooth hike of imports has contributed much to the increase in domestic production, although the boost of export sales also has played a big role. According to the customs statistics of the Ministry of Finance, Japan's exports and imports in December registered \$395 million and \$373 million, respectively, with the favorable balance standing at \$22 million. Compared with November figures, the exports gained \$102 million and the imports rose \$83 million. Meanwhile, Japan's exports and imports for the whole calendar year of 1959 registered \$3,457 million and \$3,598 million, respectively, up \$570 million (20.2%) for the former and \$565 million (18.6%) for the latter, as compared with a year ago. The exports were a new all-time peak while the imports were the largest since 1957. The import excess of \$141 million in calendar 1959 was also the lowest since the war's termination. On the itemized list in 1959 exports,

3. Foreign Trade

(In million dollars)

	Exports		Imports	
	1958	1959	1958	1959
January	182	175	270	241
February	242	275	261	254
March	287	279	273	295
April	221	261	254	299
May	231	278	264	322
June	227	273	256	325
July	231	300	253	314
August	227	302	245	290
September	230	282	235	299
October	257	345	235	298
November	237	292	223	289
December	303	395	264	373
Total	2,877	3,457	3,033	3,598

Source: Customs Statistics, Ministry of Finance.

textile goods, sundries, and light machines (including transistorized radio sets, cameras, binoculars and sewing machines) forged remarkably ahead, while ships, industrial plants, cement and chemical fertilizers marked time. Classified by destinations, the sales to industrialized countries, particularly the United States, were markedly brisk, and shipments to less developed nations were comparatively dull. On the itemized import list in 1959, the advance of raw materials was especially notable. Of the 10 principal raw materials and foodstuffs imported in calendar 1959, only sugar registered a decline from 1958. All other items such as petroleum, iron ores, steel scraps, non-ferrous metallic ores, lumber, raw cotton, wool, crude rubber, and wheat made increases in unison. Particularly sizable increases in value were registered by steel scraps (more than three fold), non-ferrous metallic ores (over two fold), crude rubber (up 53.5%), lumber (up 52.8%) and iron ores (up 18.6%). According to the Ministry of International Trade & Industry, Japanese exports and imports in calendar 1960 are estimated to increase 12.0% and 10.0%, respectively, over the calendar 1959 equivalents. With the business pickup in the United States and Western Europe likely to continue favorable, and economic conditions in less advanced countries certain to recover at a swifter tempo in 1960, exports are expected to swell. The increasing demand for raw and processed materials and machinery parallel with the rising tone of domestic production will also invite larger imports in 1960.

4. Imports of Major Raw & Processed Materials in 1959

	Quantity	Unit	Compared with 1958(100.0)	Value (Million dollars)	Compared with 1958(100.0)
Petroleum	1,000 kls.	25,645	130.0	459	111.6
Raw cotton	1,000 tons	661	115.2	355	98.5
Wool	"	168	134.1	212	109.4
Steel scraps	"	4,067	300.8	204	315.3
Wheat	"	2,412	105.2	160	104.1
Iron ore	"	10,450	137.3	146	118.6
Lumber	1,000 CM	5,703	137.1	134	152.8
Non-ferrous metals	1,000 tons	2,622	202.9	107	207.3
Sugar	"	1,215	99.4	104	86.8
Crude rubber	"	143	118.4	98	153.5

Source: Customs Statistics, Ministry of Finance.

Fiscal 1960 Budget:—The Government on January 13 decided upon the draft budget plan for fiscal 1960 starting April with the frame of the general account set at ¥1,569,-600 million for revenue and expenditure, an increase of ¥150,400 million (or over 10.0%) over the original budget for fiscal 1959, although the 1959 budget was hiked by ¥53,800 million by two supplementary budgets compiled later (exclusive of the supplementation for Japan's share in IMF). In other words, the frame of the fiscal 1960 budget plan means an increase of ¥96,600 million (6.5%) over the last budget frame for fiscal 1959.

The financial loans and investments plan for fiscal 1960, as approved by the Government at the same time, amounts to ¥594,100 million, or ¥74,300 million (14.0%) larger than the original financial plan for fiscal 1959. In view of the fact that the financial loans and investments in fiscal 1959 was comfortably boosted later for typhoon damage recoveries and other emergency measures, the new financial loans and investments plan does not mark a particularly sizable gain over the 1959 counterpart.

Money & Banking

Money in December:—Money in December fared calmly despite the year-end hustle of monetary operations. Well indicative of the sharp increase in demand for funds usual in year-end transactions, the note issue by the Bank of Japan reached an all-time peak at ¥1,167,200 million as of December 30, but it was still some ¥42,800 million smaller than the scheduled total of ¥1,210,000 million originally expected by the central bank. The note issue on the following day, December 31, dwindled to ¥1,029,400 million, or ¥30,600 million below the set estimate of ¥1,060,000 million, also up 15.6% over a year ago (December 31, 1958) at ¥891,000 million. In the daily movement of the note issue in December, the increase over a year ago averaged 15.0–17.0% with the exception of December 18 when the gain reached 18.4%. It may thus be noted that the increasing tempo of the note issue in December, 1959 was comparatively less accentuated than a year ago. Responsible for the apparently quiet tone of the note issue expansion in December in spite of the energetic pace of year-end business transactions were: 1) On the spur of the business boom, many companies gave year-end bonuses during November; 2) Year-end settlements by small business and industry were made earlier than usual; 3) Because of a favorable turn in business, payments were not delayed until the end of the year against the usual practice to the contrary; 4) Consumer demand at the close of the year were partially damped by the elevation of the official discount rate and the collapse of stock quotations; 5) The reflux of bank notes was quickened due to the popularization of larger-denomination notes such as ¥5,000 and ¥10,000 notes. With money moving at a quiet pace at the close of the year, the reflux of notes to the Bank of Japan after the turn of the year was encouragingly smooth, as the return to the central bank in the three days, January 4 through 6, reached ¥150,500 million, well in excess of ¥127,600 million in the same period in 1959.

Less Dishonored Bills:—The excess of financial fund payments over withdrawals during December stood at ¥111,000 million, far smaller than the originally-expected frame of ¥130,000–135,000 million chiefly because: 1) The tax income was unexpectedly fair; 2) The receipts in the special accounts (such as postal savings and postal insurance accounts) were bulky; and 3) The payments in the foreign exchange account were smaller than scheduled. As the Treasury-to-public balance was restricted to ¥111,000 million against the note issue at ¥187,100 million, the Bank of Japan's credit swelled markedly in December, with the balance of loans by the central bank increasing ¥94,800 million over November during the month to the month-end total of ¥337,900 million. Taking the whole year of calendar 1959, however the central bank's loans dwindled ¥41,400 million with the Treasury-to-public

balance registering ¥220,800 million.

The calm tone of year-end monetary operations was noted in the movement of bill clearings in December. According to the Tokyo Clearing House, 8,490,000 bills valued at ¥2,883,600 million changed hands in December, increasing 8.1% in volume and 5.8% in value over a year ago to reach a new all-time peak. Another noteworthy feature of December bill clearings was the slip in the number of dishonored bills. In December, dishonored bills numbered 63,616, registering a decrease of 1.4% from a year ago, and the ratio of dishonored bills against the total number of bills cleared during the month hit a new low at 0.7%, a fact well indicative of the steady permeation of the business boom into smaller enterprises and the consequent smoothness of year-end settlements. It is also notable that many key banks reserved special loan frames for financing smaller enterprisers for smoother year-end operations.

Small Business Financing:—Banks are apt to give priority to key industries in lending operations to the neglect of smaller business and industry when money tends to become busy. This trend, however, has not been noted in recent banking operations. Let us compare the movement of bank lendings by the scale of customers in the first half of calendar 1959 (January through June) when demands for funds by key industries were low, and in the second half (July through December) when such demands became activated. The increase of the frame of loans to key industries as of the end of June over the end of December, 1958 stood at 5.1% while the gain of the frame for smaller business registered 6.4% in the interim. This trend continued almost unchanged in the second half of calendar 1959, with the gain for the former as of the end of November, 1959 over the end of June registering 6.9% in comparison with the 8.5% increase in the same period for the latter. It is noted that the attitude of banks toward smaller enterprisers has been changing principally because of: 1) The marked improvement in the earning positions of smaller enterprises and the consequent willingness of banks to give them accommodations; and 2) The favorable influence on bank deposits directly resultant from transactions with smaller enterprisers, and the growing knowledge of this fact on the part of banks.

Money in December
(In ¥100 million)

	December, 1959	December, 1958	Calendar 1959	Calendar 1958
Financial Funds	1,110	1,199	2,208	2,424
Short-term Govt. Bonds . .	△1	1	19	17
Bank of Japan Accounts .	762	577	△844	△1,902
Loans	948	520	△414	△1,726
Loan Balance	3,379	3,794	—	—
Note Issue	1,871	1,777	1,384	539
Note Issue Balance	10,294	8,910	—	—

Notes: △ denotes decreases; others, increases.

Source: Compiled by *The Oriental Economist*.

Stock Market

Prices Down:—The stock market fared ill in December. In the early part of the month, however, the share prices remained comparatively firm. The Bank of Japan on December 1 announced the lowering of the official discount rate, effective from the following day, and the Dow Jones average at the Tokyo Securities exchange declined ¥3.28 to ¥973.65 from the year's peak of ¥976.93 registered on the preceding day, November 30, and a further drop of ¥14.66 to ¥958.99 was witnessed on December 2. On the following day, December 3, however, the average rallied fast to ¥970.42, up ¥11.43, and it appeared that the lowering of the official discount rate was far less discouraging than generally expected. In the rest of the month, however, the market continued lethargic, with the heaviest collapse of ¥32.50 coming on December 19 when the average slipped below the ¥900.00 mark to stand at ¥876.17. Another dive of ¥21.72 came close on the heels on December 21 when the average further declined to ¥854.45, the low for the month, and the year turned into 1960 with the average still low at ¥874.88 on the last session of the year, December 28.

Turnovers Low:—The daily volume of turnovers was low throughout December, although the peak for the month at 187,768,900 shares was registered on December 2. In the latter part of the month, however, the transactions were notably low, averaging 50,000,000—60,000,000 shares daily, or about half or less as compared with the November average. The outstanding balance of loans by the Japan Securities Finance Co. also dropped to around ¥21,000 million, some ¥7,000–8,000 million smaller than the one-time peak (at the close of October). The fact that transactions were restricted to the low level despite the collapse of share prices is indicative of the expectation by traders that the stock market would begin to recover soon as there has apparently been no change in the basic keynote of the current business boom.

Transitions of Daily Turnovers

Period (1959)	Daily Average of Transactions (Million shares)	Rate of Turnover (%)
June 1—Sept. 30	65.8	89.9
Oct. 1—Oct. 27	114.2	143.5
Oct. 28—Nov. 4	75.5	97.9
Nov. 5—Nov. 13	83.0	102.9
Nov. 14—Nov. 20	120.3	148.3
Nov. 21—Nov. 27	95.2	118.3
Nov. 28—Dec. 4	162.4	199.6
Dec. 5—Dec. 11	61.2	73.9
Dec. 12—Dec. 18	50.3	59.4
Dec. 19—Dec. 22	63.8	74.4

Source: Compiled by *The Oriental Economist*.

Increased Share Payments:—Payments for increased capital shares are expected to increase to a record high this year, well eclipsing the past peak of ¥205,000 million in 1957. Increased capital share payments, originally expected to prove just as active in 1959, were restricted to the modest total of ¥175,600 million for the principal reason—that the payment dates, at first set for the latter part of 1959, were deferred to the first quarter of 1960

(January to March). Hence, the payments are expected markedly heavy in the first three months, this year. According to capital expansion projects so far announced (as of January 9), 128 companies were planning to increase capital by ¥141,700 million in the first half (January through June), of which 114 firms involving ¥132,600 million will call share payments in the first three months. Meanwhile, Yamaichi Securities Company estimates that capital expansions through share payments during calendar 1960 will total ¥301,800 million (including stocks either listed or unlisted at securities exchanges) while Daiwa Securities Company places the estimated total at a larger figure of ¥330,800 million. Nomura Securities Company places the total capital share payments under capital increase projects by companies listed with the Tokyo Securities Exchange alone at ¥310,000 million. Figures compiled by life insurance companies also place the prospective share payments for capital expansion projects in 1960 at around ¥300,000 million, some 50% larger than the past peak in 1957. Of the prospective capital expansion projects in 1960, electric machinery will account for 13–16%, electric power for 12–15%, iron and steel for 9–12 percent, banking for 5–12%, and transportation machinery for 9–13%, while other industries account for less than 10.0% each.

Investment Trust:—In contrast to the dull tone of the stock market, investment trust subscriptions continued brisk into December with the new contracts for the month reaching a new monthly high of ¥22,533 million, and the outstanding balance as of the end of December eclipsed the ¥300,000 million mark to stand at ¥330,081 million. Thus, the net increase during calendar 1959 amounted to ¥120,386 million or 57% over 1958 as compared with ¥72,780 million or 53% in 1958 over the preceding year.

Growth of Investment Trust (In ¥100 million)

1959	New subscrip- tions	Cancel- lations	Outstand. Balance (Net Gain)
January	103	48	2,151(54)
February	114	57	2,208(56)
March	116	47	2,277(69)
April	123	52	2,348(70)
May	129	57	2,420(71)
June	179	49	2,549(129)
July	145	41	2,653(104)
August	164	49	2,769(115)
September	172	66	2,874(105)
October	175	53	2,997(122)
November	172	48	3,122(124)
December	226	47	3,300(178)
Total	1824	620	3,300(1203)

Source: Compiled by *The Oriental Economist*.

New Budget & Industry:—Shares of leading manufacturing companies are certain to benefit from the enforcement of the fiscal 1960 budget. With the budget to be enforced from April, orders to machinery and other industries are likely to increase, as new projects will start one after another. Among major industries to be favorably affected by the enforcement of the new budget will be construction, as bulky spendings for plants, equipments

and office buildings are expected by public and civilian sources on the spur of larger budgetary appropriations. On the list of public works expenses, the new budget has earmarked the total of ¥1,050,000 million for the land conservation and riparian improvement projects as a 10-year program, and the appropriation for fiscal 1960 is 8.0% larger than in fiscal 1959. Machinery industry will be the

next to be blessed with the ¥128,500 million appropriation earmarked for the fund plan of the Nippon Telegraph & Telephone Public Corporation, as compared with ¥85,000 million for fiscal 1959. Rolling-stock mills will also can expect larger orders as the financial loans and investments plan provides for a share some ¥10,000 million more than in 1959 to the National Railways.

Transitions of Week-End Stock Prices

(Old Dow-Jones Average)

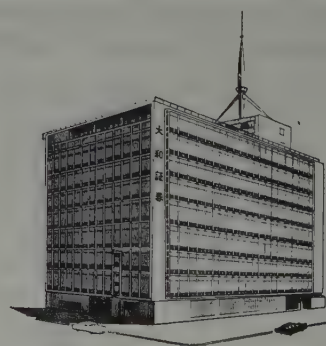
	November				December				
	8th	15th	22nd	29th	5th	12th	19th	26th	28th
Average of 225 Pivotal	944.66	943.98	948.99	968.89	966.03	942.53	876.17	880.83	874.88
Fisheries	198.57	201.95	223.08	214.62	212.09	201.95	180.82	177.44	175.76
Mining	433.12	426.99	430.83	438.83	449.15	440.77	393.72	394.89	387.63
Foodstuffs	1,979.22	1,956.40	1,954.62	1,976.14	1,997.52	1,942.33	1,885.29	1,897.11	1,902.44
Textiles	701.60	697.67	706.30	706.36	711.06	695.73	637.22	635.17	627.92
Paper, Pulp	931.21	910.22	917.86	920.68	940.29	921.64	855.73	852.02	842.39
Chemicals	532.37	534.28	524.20	547.56	557.53	536.87	490.93	490.18	488.38
Petroleum, Coal Products . . .	2,950.34	2,957.51	2,904.57	2,969.58	2,984.24	2,661.52	2,298.14	2,322.27	2,305.42
Glass, Clay, Stone Products . .	1,858.58	1,876.74	1,888.94	1,896.95	1,878.12	1,841.97	1,739.46	1,773.13	1,751.16
Primary Metals	327.76	331.34	344.88	350.13	345.73	336.32	307.16	301.36	296.52
Machinery	710.41	708.45	706.03	706.03	691.46	676.89	644.80	641.40	625.36
Electric Machines, Tools . . .	930.51	936.60	939.02	995.95	986.23	963.23	847.35	843.68	837.31
Transportation Machinery . .	618.73	627.16	620.51	635.51	612.21	582.42	513.44	524.60	519.17
Precision Machines	629.77	612.13	606.65	653.99	683.72	672.34	622.76	634.20	627.84
Other Manufactures	1,240.75	1,231.50	1,247.17	1,277.28	1,292.38	1,281.67	1,270.91	1,298.66	1,278.08
Commerce	1,651.22	1,670.27	1,715.62	1,743.76	1,724.39	1,652.82	1,566.11	1,633.93	1,634.89
Banking, Insurance	622.27	659.90	664.55	674.67	695.72	694.91	673.12	690.99	694.91
Real Estate	2,785.80	2,783.19	2,725.97	2,889.83	2,848.23	2,824.79	2,541.28	2,507.44	2,202.29
Land Transportation	504.98	502.50	520.38	526.05	516.49	516.68	508.48	508.92	509.81
Ocean Shipping	171.87	167.85	189.35	206.83	229.18	213.76	190.20	194.67	192.21
Warehousing	1,227.53	1,168.25	1,155.08	1,145.25	1,138.65	1,138.65	1,135.35	1,109.03	1,118.93
Electricity, Gas	236.82	236.29	246.23	244.62	249.25	242.95	238.13	237.60	242.06
Services	486.56	488.65	476.91	455.46	447.82	446.38	444.80	442.28	445.56

Note: Stocks listed with the Tokyo Securities Exchange.

Source: Tokyo Securities Exchange.

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Trade Liberalization Jitters

THE Japanese Government has come to the decision to liberalize foreign trade and exchange, and because the rate at which decontrol will be undertaken is faster than had been expected there appears to be considerable nervousness in various quarters. We should like to point out that there is little or nothing to warrant excessive anxiety.

It is difficult to justify the stand taken in this connection by industrial interests since last year, with emphasis laid on the negative aspects, that the easing restrictions on foreign exchange and trade should be put off as much as possible. Although some anxiety and confusion will be unavoidable because for many years the industrial pattern has been based upon controlled trade and exchange, there is no reason to doubt that such temporary disturbances cannot be overcome, considering the actual strength of our economy and industry. Moreover, in so far as liberalization will be undertaken step by step, accompanied by various measures to prevent serious repercussions, there should be no ground for excessive worry. The positive and beneficial aspects must not be overlooked.

First of all, one must realize that since April 1949, when the rate of exchange for the Japanese yen was set at ¥360 to the U.S. dollar, the strength of our economy has increased by three or four times. Whereas in fiscal 1948-49 and 1949-50 the gross national product stood respectively at ¥2,600,000 million and ¥3,250,000 million, the level achieved in fiscal 1959-60 is expected to be in the order of ¥10,740,000 million, while in fiscal 1960-61 there will be further growth to perhaps ¥12,629,000 million. Not only has there occurred this phenomenal gain in size, but there have been achieved notable advances in quality in consequence of such things as the "technological transformation" and the revolutionary change in the pattern of income. This general improvement in quality is evident in Japanese goods manufactured for export. No longer are our products derided as "cheap and shoddy." They are rather gaining a reputation of being "cheap but good," and the volume of sales continues to grow steadily. In consequence, the foreign exchange reserve on hand at yearend 1959 stood at \$1,322 million, at between \$1,800 million and \$1,900 million according to the old method of computation, and at about \$2,000 million by the Italian formula.

Recently, the view has been expressed abroad that the rate of ¥360 to the U.S. dollar is too low. In other words the feeling exists that at this rate of exchange the price of Japanese goods tends to be out of line; and in this sense it can be said that our industry is now adequately competitive in world markets. While it cannot be

denied that the low price of Japanese products is attributable in part to low wages, due credit must be given to advanced technology and efficient operation.

Since basically it can be judged that Japan is now fully capable of undertaking progressive decontrol of foreign trade and exchange, we believe that the general public, and particularly all industrialists, should harbor more confidence in this respect.

Secondly, liberalization of trade and exchange should result in lowering of costs through elimination of waste and inefficiency as a result of the restoration of competitive pricing. Furthermore, the overall distribution of resources would be put on a more rational basis, and export sales could be expanded. The economy would operate on a more straightforward basis, giving encouragement to honest effort, and the consumer would benefit from the decline in prices. Only those who heretofore have taken unfair advantage of artificial restrictions would stand to lose. The public should not be taken in by the counter-propaganda disseminated by these parasites.

Currently, the effects of trade and exchange decontrol on various sectors of business and industry are being widely discussed. In so far as the policy is that appropriate relief will be provided where the adverse effects are great there should be no fear of any big or general setback to all types of business. Generally speaking, it can be said in none of the classifications of business and industry should there be any ill-effect felt by the sound and efficient operations. Rather, the well-run businesses should profit by the moves toward liberalization. The main problem will be the temporary disruption which may occur during the transitional stage. All should be well provided proper attention is directed toward effecting a smooth changeover.

From the foregoing it will be seen that excessive fears in connection with liberalization are without foundation; and that it will be up to each category of business and industry to work out the ways and means for keeping the transitional confusion and disruption as small as possible.

Trouble probably can be avoided by consulting the Government for such action as the formation of temporary cartels or industry associations under the Export-Import Transactions Law for maintenance of fair and orderly business practices while decontrol is in progress. We urge that the big benefits of trade and exchange liberalization be kept in sight, with proper care exercised not to let the immediate problems and difficulties obscure or distort clear vision.

Rise of a New Middle Class

ONE of the leading topics of 1960, with bearing upon both economics and politics, is the status of the middle class which in "better times" symbolized respectability and soundness. However, there is no doubting the fact that major changes have occurred since the war in the underpinnings of this segment of society. For it is obvious today, fifteen years after defeat and surrender, that the middle class has in many ways regained its former standing.

While in Europe and America the new, postwar middle class has for quite a number of years been taken up as a major problem, it is only fairly recently in Japan that attention has come to be directed toward this matter.

Middle Class Zone is Wide

Who, then, are those referred to as the postwar middle class? Definitions vary, but the broadest puts the middle class in between the ruling class and the unpropertied working class. By this definition, therefore, the range of the middle class is extensive, while there exists an enormous diversity of occupations.

According to the Compendium of Japanese Statistics published by the Nippon Hyoron Sha, the ratio of the ruling class (corporate management and high-ranking government and public officials) to the working population stood at 1.2 percent in prewar 1930, and at 1.9 percent in postwar 1955 (Table 1.). The working class (including, in addition in industrial workers, farm and fishery employees, working family members, sales personnel, and service trades employees) made up 60.2 percent before the war, and 60.5 percent after (1955).

1. Distribution of Income Groups Based on Tax Statistics

(postwar money value 1/300 of prewar)

1935 (Class 3 Income Tax)	Prewar	1958 (National Tax Authority survey of private enterprise pay)	Postwar
1.3%	¥20,000 & over	¥5 mil. & over	0.01%
2.5	10,000 to ¥20,000	2 mil. to ¥5 mil.	0.15
7.9	5,000 to 10,000	1 mil. to 2 mil.	1.2
14.9	3,000 to 5,000	500,000 to 1 mil.	7.1
18.1	2,000 to 3,000	300,000 to 500,000	18.4
51.4	1,200 to 2,000	100,000 to 300,000	54.3
3.7	1,200 & under	100,000 & under	18.8

The middle class is divided into "old" and "new" with the former covering individual proprietors and independent professionals (engineers, doctors and nurses, lawyers, teachers, artists, etc.), and the latter including salaried professionals and intellectuals (government and public administrative personnel, technical personnel, private enterprise office staff, health and welfare personnel, teachers, artists, and police, fire department and defense employees). The ratio of the "old" middle class to the working population was 31.4 percent before the war, and 24.1 percent after. The "new" middle class made up 7.2 percent of the working population before the war, and 13.5 percent in 1955. The "old" and the "new" combined come to about 38 percent.

It will be seen that the "old" middle class, though declining in relative importance, still makes up about a fourth of the total working population, while the "new" has gained from the 7.2 percent of prewar to 13.5 percent. In the "old" middle class there has been notable decrease in the farming and manufacturing sectors, and only in the service trades has there been a gain. With the "new" middle class there has been notable increase of government and public employees, hired professionals and clerical workers in private enterprise, and health personnel.

Another major change noted is the fact that although the proportion taken up by the working class has remained about the same there has been a marked decline in the number of farm and forestry workers, while conversely there has been a big increase in employment in such sectors as manufacturing, building and construction, commerce, and service.

Prewar Middle Class

What, from the standpoint of income, constitutes the middle class? Before the war, up to about 1935, it could be said that anyone paying personal income tax belonged. In 1935 there were 769,000 households paying income tax. This is only some 5 percent of the 13.38 million households then existing. In those days, income tax was payable only by those with annual income of more than ¥1,200 after deductions, so in practice only people with income of more than ¥1,500 to ¥1,600 were required to pay income tax. In so far as commodity prices are now at about three hundred times the 1953 level, an income of about ¥1,500 would be the equivalent of roughly ¥500,000 today.

However, in prewar times, the most outstanding among the middle class were the middle management personnel in government service or big private business. With a monthly salary of around ¥300, they were at the top level of the middle class. Above these came the top management group drawing more than ¥400—bureau chiefs in the central government, prefectural governors, and general grade officers in the armed services.

Table 2 shows the distribution of income groups, before and after the war, as compiled from National Tax Authority statistics. The prewar amounts are after deductions, the postwar, before. In prewar times, up to about ¥3,000 in annual income after deductions could be considered middle-class income.

2. Social Class Structure

	1930	1955
A. Ruling Class	1.2%	1.9%
B. Old Middle Class	31.4	24.1
Individual proprietors	30.6	23.3
Independent professionals	0.8	0.7
C. New Middle Class	7.2	13.5
Employed professionals	6.2	12.7
Police, firemen, defense forces, &c.	1.0	0.8
D. Working Class	60.2	60.5
Production workers	49.8	50.1
Sales workers	4.9	6.2
Service trades workers	2.7	3.4

Source: The Compendium of Japanese Statistics Published by The Nippon Hyoron Sha.

Postwar Middle Class

For purposes of comparison, let us express in current monetary value the prewar middle-class income of from ¥1,200 to ¥3,000 after deductions. Today, those receiving from ¥500,000 to ¥1.2 million before deductions would fit into this category, and to call these people the middle class seems quite reasonable. Table 2 shows that only 13.8 percent of those paying income tax fall in this group.

Today, most Japanese urban households possess electric washing machines and television sets, and close on 50 percent own electric refrigerators. Up until two or three years ago, the washing machine, the refrigerator and TV set were regarded as symbols of good living. Now these appliances have become commonplace, and the new symbols are cars and air-conditioners. Nevertheless, take anyone in the ¥800,000 per annum income group. Although he may realize that he is well above the national average he still lacks the sense of security and well-being. One reason of course is the tax situation. Whereas before the war the tax burden for this income bracket was about 2 to 2.5 percent in both direct and indirect taxes, today the bite is in the order of 17 to 18 percent of earnings.

Another reason is that on the average dwelling facilities, furnishings and clothing still remain at about 80 percent of the prewar level, while on the other hand there have appeared such extras as television, transistor radios and air-conditioners. Since pay has not gone up proportionately the feeling of being unable to afford such appurtenances persists.

Thirdly, the cost of higher education for one's offspring is excessive, particularly for those living in provincial areas. No wonder then that the postwar middle class, although winning steady increases in pay, continues to feel harassed.

In contrast, the situation in the farm areas appears much brighter. With the postwar land reform eliminating the former ruling class, the big landlords, there have appeared such upper-middle-class proprietors as the fruit-growers; while many a farmer now basks in middle-class comfort as a result of price support, high crop yield, and extra income from work off the farm.

The small business operators who, according to Marxist theory, should be facing extinction have as a result of the postwar inflation consolidated their roots, while the living standards of the productive working class have improved notably since the war in line with the growth of organized labor.

According to the Living Standards White Paper, whereas the pay level of salaried workers has gone up only 180 times as compared to prewar, the household income of the farmer has increased 405-fold, that of owner-operators in manufacturing, commerce and services 566-fold, and that of workers in production 391-fold.

Revival of the Middle Class

The wartime and postwar changes and reforms in the social structure have resulted in the decline of some members of the "old" middle class. But this does not by any means signify gradual extinction of the central stratum. The economic processes of the postwar era have brought

3. Distribution of Income Groups

1935 (after deductions)		1958 (before deductions)	
¥1,200 & under	3.7%	¥50,000 & under	2.0%
1,500 "	27.9	80,000 "	7.7
2,000 "	23.5	100,000 "	8.9
3,000 "	18.1	150,000 "	20.0
5,000 "	14.9	200,000 "	14.4
7,000 "	4.8	250,000 "	11.4
10,000 "	3.0	300,000 "	8.3
15,000 "	1.7	400,000 "	11.7
20,000 "	0.7	500,000 "	6.6
30,000 "	0.6	700,000 "	4.9
50,000 "	0.4	1,000,000 "	2.1
70,000 "	0.12	2,000,000 "	1.2
100,000 "	0.08	5,000,000 "	0.15
200,000 "	0.07	5,000,000 & over	0.01
500,000 "	0.02		
1,000,000 "	0.004		
2,000,000 "	0.0001		
3,000,000 "			

Note: Excluding government and public employees, and salaried workers of government corporations.

Source: National Tax Authority.

about a revival of certain middle class elements which temporarily appeared doomed.

Among the newly ascendant members of the postwar middle class are the top level farmers. It cannot, of course, be said that the postwar land reform and the acquisition of land by former tenant-farmers resulted in their advancement into the middle class. But it is undeniable that in taking the place of the dispossessed landlords the landed farmer did add to the growth of the "new" middle class. Land reform was not the only cause of the creation of the farming middle class. Many a farmer waxed rich through black market deals during the food shortage which prevailed after the surrender. Moreover, even after the supply of rice, the Japanese staple, became adequate the price support policy was continued, while the price of fertilizer, the farmer's biggest materials cost item, has been kept pegged at a low level. At the same time, there occurred a notable improvement in farming techniques, and the rice crop yield per unit area rose sharply to average about double prewar.

The Japanese farmer therefore has enjoyed a steady increase in income, and his living standards have improved beyond comparison with prewar conditions. Consequently, the majority of farmers is satisfied with things as they are; and it can be said, therefore, that the MacArthur land reform and the Government policy of farm price support have contributed significantly toward fostering the mood of conservatism that prevails today.

But is undeniable that in taking the place of the dispo-

However, the subject of recent discussion in connection with the resurgence of the middle class appears to be white collar city worker and his kin. The reason, of course, is that the urban middle class exercises considerable effect on the balance of political power. Further, the "new" middle class, harboring such elements as the managerial staff, technicians and sales personnel, has in the course of Japan's postwar development tended to grow in both size and strength. Basically, however, the reason for renewed interest in this class is that changing economic conditions have brought about its notable revival.

New Middle Class and the Consumer Revolution

The recent phenomenal advances made by sales of durable consumer goods, particularly electrical appliances, together with the notable rise in cultural and educational

spending, have given rise to the term "consumer revolution." Needless to say, the new middle class plays an outstanding role in this new trend toward heavy spending on consumer items.

How then has the pattern of consumer spending changed among the middle-class households? This is a rather difficult question since the concept of "middle class" is by no means clear. However, an idea of the spending pattern can be obtained by studying four specific income groups—under ¥300,000 per annum, ¥300,000 to ¥500,000, ¥500,000 to ¥800,000 and more than ¥800,000. Assuming for practical purposes that any annual income higher than ¥500,000 represents middle class income, a survey by the Economic Planning Agency reveals that television sets are owned by 64.4 percent of all households with income of between ¥500,000 and ¥800,000, and by 84.7 percent of households with income higher than ¥800,000. This is indicative of the fact that ownership of electrical appliances is steadily spreading into the lower income brackets. The pattern becomes even more clear when the results of a survey covering actual and contemplated ownership of appliances are tabulated (Table 3.).

With the high income brackets going in for such items as air-conditioners and refrigerators, and the medium income group buying television sets and electric washing machines since about 1958 it is certain that durable goods spending is by now well established. However, there appears to be a definite break at the ¥300,000 line; and households below this level still aspire to buy such items as sewing machines, radio sets and clothing cabinets.

As for spending on recreation and amusement, a good yardstick is provided by city household spending on travel. Close on 70 percent of all city households in the ¥500,000 to ¥800,000 group spent during the past year money on travel involving at least a night's stopover at points more than 50 kilometers away from home. Twotrips were undertaken by 17.3 percent, while three-trip households came to 13.3 percent. More than 25 percent of the travelling households spent up to ¥20,000 for trips, while 22.4 percent spent between ¥20,000 and ¥50,000. These figures are in marked contrast to the ¥5,000 or less spent by about 50 percent of the households with income of less than ¥500,000 per annum.

A check on household budget items expected to increase in the immediate future is also revealing. In the ¥500,000 to ¥800,000 bracket the items cited were: dwelling facilities (26.6 percent), education (25.9 percent), and clothing (19.4 percent). But in the ¥800,000-and-over group the expected increases were for education (26 percent) and dwelling facilities (23.7 percent). It is therefore evident that the consumer requirements of the new middle class will be concentrated in education and dwelling facilities.

In the case of households in the ¥300,000-and-under group, the next expected increase still remains in the food bill. This means that the major shift in the consumption pattern of recent years was caused by the middle class and high income groups. Nevertheless, as a basic trend it is also predictable that durable goods buying will spread into the lower income groups.

Mention should be made of the increasingly high in-

cidence of easy payment, installment buying. Although advertising, publicity and intensive use of mass communication media are partly responsible for the rise of durable goods sales, a powerful boost has been given by installment buying. According to the Economic Planning Agency some 50 percent of all households in the ¥500,000 to ¥800,000 income group makes use of installment plans. In the case of the ¥300,000 to ¥500,000 income group the incidence is even higher at 54.4 percent; and with the ¥300,000-and-under group 46.2 percent of the households go for easy payments. In the case of the ¥800,000-and-over group, the percentage is 32.8 percent. By occupation, the salaried workers' households are in the lead with 55.1 percent utilization, followed by wage-earners at 51 percent. The Bank of Japan reports that recently from 40 to 50 percent of all television set, washing machine, electric refrigerator, sewing machine and bicycle sales are made on installment basis. In the case of washing machines, whereas in the year ended with September 1958 installment buying accounted for 37.7 percent of total sales, there was an increase to 41.3 percent for the year ended with July 1959.

4. Ownership, Actual and Contemplated, of Durable Goods

(percentage of households surveyed)

	Overall	Income Group (Annual)			
		Under ¥300,000	¥300,000 to ¥500,000	¥500,000 to ¥800,000	Over ¥800,000
Actual Ownership					
Television Set . . .	33.5%	12.4%	40.6%	64.4%	84.7%
Washing Machine . .	36.7	15.2	45.5	67.4	82.5
Electric Rice Cooker .	23.5	14.6	28.1	32.9	49.2
Electric Refrigerator .	9.7	1.9	9.1	24.8	52.0
Purchased during Past Year					
Television Set . . .	17.9	7.8	23.6	29.2	28.8
Washing Machine . .	8.0	4.8	10.8	11.4	9.1
Rice Cooker	8.2	6.3	10.1	9.0	11.8
Refrigerator	4.1	1.0	4.0	11.7	14.7
Plan to Buy during Coming Year					
Television Set . . .	8.4	5.1	12.4	9.9	4.5
Washing Machine . .	7.1	4.5	9.0	9.6	3.4
Rice Cooker	7.0	5.5	8.5	8.4	5.7
Refrigerator	5.9	1.5	8.0	11.5	14.7

Note: Survey date: August 1959.

Source: Economic Planning Agency.

The New Middle Class and Politics

Finally, a word on the political implications of the revival of the middle class should not be superfluous. The white collar workers had always been considered to be in favor of the conservative camp. However, doubts began to appear after the war, what with the spread of organized labor into the ranks even of school teachers; and these typically white collar workers now are, on the whole, organized in support of the left wing of the Socialist Party. This defection of many salaried workers from conservatism has not passed unnoticed by the Liberal-Democratic Party. The conservatives, aiming to build up a stable majority of more than two-thirds in the National Diet, are pledged to win over the white collar, new middle class worker by policies giving assurance of steady betterment of living conditions. The progressive camp, on the other hand, must make redoubled effort to gain more than a third of the Diet seats, ultimately to win a majority. The best chance open to the leftists would be to secure the confidence of the new middle class while whittling down the resistance of the small businessmen and the far-

mers. One thing calling for unequivocal re-examination of the situation by the Socialists is the fact that despite unionization there still remains a large body of white collar workers supporting the conservative camp. Consequently, action is being taken to consolidate the trade unions into firm support of socialist and left-wing policies. At the same time it is planned to launch an all-out offensive against the conservative strongholds in the farm and small business sectors. It is therefore understandable why the new Democratic Socialist Party which splintered from the

main group should make so much of mobilizing the middle class.

With both the conservatives and the progressives intent on wooing the middle-class, white-collar group it is not at all unlikely that lionizing of salaried administrative and technical worker will occur. It remains to be seen what will happen to the status of this group the value of which has been very much debased by the postwar flood of university graduates.

Japan a Low-Wage Nation?

AT the GATT conference held last autumn in Tokyo there was formed a special committee to study the "low-wage" situation prevailing in the various countries of Asia including Japan. Previously, Economic Minister Erhard of West Germany had made a public statement of his views in regard to low Japanese pay, while Canada and Australia were reportedly studying restrictive measures for imports from Japan because of Japan's labor cost advantage. It can, therefore, be said that with the world headed toward liberalization of trade the matter of Japan's allegedly low-wage level has become quite a concern in many nations. In order to dispel misconceptions the Ministry of Foreign Affairs circulated among the GATT representatives a report entitled the "Working Conditions of Japan," which emphasized the fact that wages in Japan are not so low as is generally believed. Below will be given a resume of this official paper.

International Comparison of Wages, and Problem Points

According to the data made available by the Ministry of Foreign Affairs, it is customary, when dealing with the problem of Japanese wages, to express the level in terms of hourly averages computed at the official rate of yen currency exchange. By this method, the average hourly wage for manufacturing in 1957 stood at the following levels: United States, \$2.07; Canada, \$1.67; United Kingdom, \$0.64; West Germany, \$0.51; France, \$0.44; Italy, \$0.33; Japan, \$0.26; and Singapore, \$0.25. In other words, the average Japanese wage for manufacturing is one-eighth that of the United States, 40 percent that of the United Kingdom, and about one-half that of West Germany.

It is obvious, however, that the wage levels computed on the basis of official rates of currency exchange do not truly indicate the real pay received by the worker, the effective purchasing power made available to maintain adequate standards of living. Although it is no simple matter to make an accurate comparison of the real wages received by workers in different countries because of notable dissimilarities in customs and modes of life, it appears more reasonable to compare the effective pay levels, with due allowance made for the disparities in exchange rates and commodity prices.

Mr. Gilbert and his associates in the OEEC report, for instance, that the true purchasing power of the currencies of the United Kingdom, West Germany, France, and Italy is from 60 to 90 percent higher than the level indicated by straight conversion into United States dollars on the basis of official exchange rates. In the case of Japan, too, the study conducted by Assistant Professor T. Watabe of Gakushuin University and Assistant Professor R. Komiya of Tokyo University in 1952 at Stanford University in connection with the purchasing power of the Japanese yen and the United States dollar shows that at that time one U.S. dollar was the equivalent of ¥188.5.

Consequently, even though the manufacturing wage level, computed on the basis of the official rate of ¥360 to the U.S. dollar, comes to but one-eighth of the United States standard, it can be assumed that the real, effective wage would be in the neighborhood of one-fourth the American level; and it can be contended that Japanese wages are not so low as have been believed in many other countries.

In support of this argument is the fact that in 1958 the Engel's coefficient for Japanese wage-earner households was 41.2 percent. This level, admittedly, is much higher than the 28.1 percent of the United States; but it is better than the 42.4 percent of West Germany and the 46.4 percent of France. Moreover, consumption by worker households of clothing items, newspaper readership, motion picture attendance, and school attendance are in no way lower than in western Europe.

It has been pointed out time and again that comparison of international wage levels on the basis of computation at official rates of exchange tends to give a distorted picture of real pay. This is because, for one thing, the exchange rates of many countries do not accurately reflect the prevailing prices of commodities and services. It may happen that the exchange rate is artificially changed to tide over a balance of payments crisis. In such cases the effective wage does not immediately keep in step with the rate of foreign exchange. If the prices of goods and services in the country are low, then the real wage received by the worker is generally adequate even though it may appear excessively low in terms of a foreign currency. If the economy remains stabilized at a low price level,

then the wage level cannot be considered low.

Since in actual practice it is not easy to arrive at an accurate comparison of the purchasing power of the cash wages prevalent in different countries the usual method is to utilize only the levels indicated by food prices. This is the procedure used for obtaining the ILO comparison of European price levels expressed in terms of United States dollars, for the Ministry of Labor statistics covering price comparisons, and for the Fujimoto study of United States-Japan wage correlations. When food prices alone are used to indicate the general commodity price level the real wage of the Japanese worker come out at a lower level than that indicated by the Watabe-Komiya study. This is because there is a bigger disparity in the price levels of clothing and services than in food between Japan and the United States.

The report of the Ministry of Foreign Affairs further explains that in the case of Japan there are in addition to cash wage such amenities as separation pay, welfare and recreational benefits, and pay in kind in the forms of housing, facilities and goods, and that when these are added the wage gap is further narrowed.

The burden taken on by Japanese big business in the form of separation pay, welfare outlays for employee housing and medical care, and other extras is certainly heavy. It cannot be denied that the extra benefits derived by the workers from living in, in the case of small industrial operations, and for dormitories and other housing facilities in the case of the big enterprises are sizable. Nevertheless, in Europe and America too there are many

fringe benefits charged to management, while extras for social security and other non-wage amenities are by no means small. Consequently, it cannot be said without further study that the extras paid by Japanese management definitely result in reducing the wage differential.

Changes in International Wage Levels

Another important point is the shifts in the relative positions held by international wage levels. According to the data furnished by the Ministry of Foreign Affairs, the real wage level of Japan in 1958 was 36 points higher than for the base year of 1951. This rate of gain is comparable to that of West Germany, and is much better than the 10 points indicated by the United Kingdom and Italy, or the 17 points registered by the United States. It can therefore be said that there is a definite trend toward a diminution of the gap between the levels of Japan and the United States. In the three years ended with 1951, Japan's real wage level rose 90 points, while that of West Germany went up 50 points. During the same period, United States wages went up 11 points, while for Britain the gain was only 3 points. Because the post-surrender slump was big, the climb rate during the period of recovery has tended to be high; but it appears that the postwar level of the real wage, relatively speaking, has yet to be achieved. Using the year 1937 as the prewar base, the real wage levels for manufacturing in 1958 stood at 180 points for the United States, 175 for the United Kingdom, 149 for West Germany, and 125 for Japan. Thus, in the regaining of relative positions, Japan is barely ahead of only Italy and the Netherlands. Moreover, with the cyclic trend of business becoming more manifest after 1953, it has become clear that, although the rate of gain is better than those of the United States and the United Kingdom, there is a tendency to lag behind West Germany.

Wage Levels of the Export Industries

The information made available by the Ministry of Foreign Affairs does not stop at mere comparison of the international wage levels for manufacturing. It goes further to point out that among Japan's export industries there exist such operations as steel and shipbuilding, paying wages much higher than average, and also such enterprises as textiles and sundries manufacturing, which get by with wages at about 60 percent of average. It is mentioned that the low levels prevalent in textiles and sundry goods manufacturing are not the result of exploitation of workers. The reason, rather, is to be found in the utilization of unskilled workers of low productivity, or of girl workers who draw low pay. Consequently, the proportion taken out of value added for payment of wages tends to be higher the lower the wages paid, and with the exception of cotton spinning the enterprises are generally of small size. Consequently, with a high proportion of value added going into wages, these small enterprises tend to remain weak and diminutive.

Japan's export goods are produced in highly diversified sectors of industry, and are of immense variety, ranging from steel products and ships, motor vehicles, transistors and transistor radios, cameras, sewing machines, and other

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machinery items both heavy and light to textiles of all types, a wide variety of canned foods, tableware, and Christmas decorations. Consequently, the size of the operations engaged in export production varies widely; and it is not unusual to find cottage-type operations producing expressly for export.

The wage structure of Japan is such that a considerable disparity exists between the large and the small operations, with further disparities among the various sectors engaged in export production. The wages paid by such big enterprises as shipbuilding and iron and steel should not vary too widely from those of comparable operations outside of Japan. But in the case of textile and sundry production by the small and marginal operations the differential is more than double that of the manufacturing average.

It is in connection with these operations that overseas objections are heard in regard to the Japanese wage level. At one time, before the war, there were angry cries abroad that the wages of workers in Japanese cotton mills were below even the Indian level. Since the war, however, not only have the cotton manufacturers raised their pay, but have effected vast improvements in welfare and recreational facilities; so domestically, the cotton industry can no longer be classified as a low-wage sector. Internally, the low-wage problem resides in the small and marginal operations engaging in the production of textile goods, foodstuff, sundries, and other commodities. The cause of the problem, as pointed out by the Ministry of Foreign Affairs report, is the use of low-pay, low-productivity labor. Another major factor is the dualism of Japan's industrial structure, with a multitude of small operations maintained subservient to big industrial establishments. Nevertheless, whether the existence of such a low-wage sector warrants the classification internationally of Japan as a low-wage nation remains a moot point; for the problem of productivity is involved. There certainly is some doubt as to the reasonableness of criticizing Japan as being unable, as in the case of the underdeveloped countries, to pay adequate wages because capital is lacking to install or build up modern facilities for efficient and productive manufacturing.

Since the Foreign Ministry report barely touches upon this point, the discussion which follows will concern itself with the principal factors involved as well as with the situation which has given rise to complaints abroad about low Japanese wages.

International Position of Japanese Wage Level

There are two ways of judging the international level of a given nation's wages: one is the direct comparative approach used in the report of the Ministry of Foreign Affairs, and the other is the relative method gauging the wage level in reference to productivity and value added. If, despite high productivity and value added the level of wages paid is low as compared to other countries, it should be possible to say that the relative level is low although the nominal, computed value may be high. The reverse of this situation obtains in the case of the bulk of Japan's small and marginal operations, as pointed out by the Foreign Ministry report, because the relative wage is high due to extremely low productivity and value added.

What then is the international position, relatively speaking, of Japanese wages? For the wage-raise campaign of Sohyo (General Federation of Japan Trade Unions) last spring the argument was presented that while the rate of distribution of profits to labor indicted steady decline, the Japanese wage level was lower than in other parts of the world. It is certainly true that, according to manufacturing statistics, only 35 percent of the value added in 1956 was turned over to labor in the form of pay. This is lower than the 50 percent of the United States; and there has been no improvement over the prewar situation.

Is this enough to say that Japan is a low-wage nation? This is an extremely difficult question; and to arrive at any acceptable answer there must be undertaken further study of the mechanics involved. Such arguments as high cost of money, or the high cost of imported raw materials have not been altogether satisfactory.

The industrial pattern of Japan shows extreme diversity, reflecting inherent scarcity of natural resources, and the characteristics of a nation still in the process of industrialization. In some sectors, the relative level of Japanese wages tends to be indicated as high; but in others the reverse holds true. For example, in coal mining which is directly related to an available natural resource the nominal wage level, disregarding productivity, is not out of line; but relatively speaking the wage level is extremely high. On the other hand, with cotton spinning and other light industries, development has been intense, while the levels of productivity and technology are on par with overseas operations. Consequently, the relative wage level, internationally speaking, is low, particularly since the workforce consists mainly of youthful girl workers. The heavy industries such as steel and shipbuilding stand in between the key industries and the light operations, while manufacture of such light items as cameras and transistor radios is close to the textile and other light industrial operations. What then is the cause of such wide disparity between high and low relative wage levels?

One of the reasons is, as has already been mentioned, the semi-developed status of the Japanese economy which is short on natural resources. Because industrialization is still in progress the light industries as well as light machinery manufacturing have about caught up with Europe and America in technology and capital equipment. In cotton spinning and other textile operations Japan today stands next to the United States in scale and proficiency. However, in such heavy industries as steel, motor vehicles, and machinery development has been fairly recent, and there still remains a considerable gap in equipment and technology. Particularly in coal and metal mining, the scarcity of available resources has made it difficult to achieve the progress seen in other more advanced countries, and productivity has tended to lag even when modern equipment has been installed.

Another major factor is the traditional wage structure of Japan. When the conditions of operation match the wage differentials imposed by the wage structure such business stands in a favored position. The Japanese wage structure harbors two types of wage differential: one is the outcome of size of operation, while the other is due

to age and sex differences. In the case of the former, the problem lies in the ability of enterprise to pay for what at first sight would appear to be the same labor, with the medium and small businesses at an incomparably low level. The reason for this disparity is said to be the dual nature of Japan's industrial structure. As for the second type of differential, the causes are the traditional scaling of pay by age and length of service, while wages paid to young female workers have always tended to be considered as monetary aid to the families from which these workers come to work. Consequently, the lowness of the wages paid to this segment of labor is condoned by society.

Explained in another way, the wage structure of Japan is basically a system of guaranteed livelihood, with very little recognition given to individual productivity. To women with working husbands, and to young workers living with their parents is granted pay often falling short of the work accomplished. On the other hand men workers responsible for households are invariably paid more than they are actually worth. This special structure tends to benefit the industries utilizing the labor of young, relatively unskilled, female workers. The large textile mills, sundry manufacturing, camera making, transistors, radios and other light machinery item production therefore pay extremely low wage per unit product, and the wage level both domestically and internationally tends to be on the low side.

Conversely, with steel and other heavy industrial operations in which men workers of skill and experience tend

to predominate, emphasis on age and length of service is causing a steady rise of the average pay. Consequently, the relative wage is high internationally speaking, particularly in the light of the gap in capital equipment and technology. Pay per unit product is high even by world standards. This applies also to coal mining and other metal mining operations.

When judging the competitive potential of any product it is usual to check into the labor cost involved. However, in so far as there are other factors, such as availability of natural resources, the degree of industrialization, and the wage structure, which cannot be neglected it would appear unjust to charge, on the ground that the labor cost per unit product is low, that the wage level is low unless that level is actually unjustifiably low in relation to generally prevailing levels. Rather, through liberalization of trade, the countries capable of producing at low labor cost without disrupting its own wage structure should be permitted to benefit and to specialize for the general good. Needless to say, it would be unfair to make use of low wages, so judged even by domestic standards, to gain advantage in world competition. The Ministry of Foreign Affairs contends that no such sector of industry now exists; but closer study of the situation is recommended for prevention of future trouble.

Background of the Low-Wage Problem

As already mentioned, the complaints about Japan's low wages have not come about because there actually occurred a lowering of the level. Rather, Japanese wages have gone up at a rate comparable until recently with that of West Germany, and today Japan stands among the high-wage nations of the world. Consequently, the complaints appear to spring from the cost of labor per unit product. In all countries except Japan and West Germany the rise of wages has outstripped the gains registered in productivity. This holds true for the United States, the United Kingdom, Canada, Sweden, Denmark, and the Netherlands. Consequently, these countries are bothered with high labor costs and the phenomenon known as cost inflation. In Japan and West Germany the rise of productivity has kept ahead of the rise of wages, as the cost of labor has tended to decrease per unit product. Under the circumstances, the high-cost nations have been forced to up export prices while West Germany and Japan have, conversely, been able to give lower quotations. From about 1956, however, West German labor costs also began to rise. This is clear from data published by the OEEC and the Japanese Government Economic White Paper for fiscal 1959-60. Whereas until 1955 the rise of the West German wage level was slower than that of Japan, there was a sharp increase in rate after 1956, and the rise of productivity was overtaken.

Today, Japan probably is the only country achieving actual reduction of labor cost per unit product. The overall situation therefore calls for proper study; but the trend is steadily increasing Japan's competitive strength in world markets. It is obvious that this is unwelcome to all other industrial nations, and this situation constitutes the background for the complaints about low Japanese wages.

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Industry

Electric Machinery & Equipment

Throughout the past year, Japanese industry made a complete recovery from the 1958 depression and registered a marked upcurve as a whole. Though commodity prices remained stable, production increased substantially so much so indeed that the business pickup was popularly called "quantitative."

1959 Production 60% Up

Especially remarkable was the production growth of electric machines and equipment. As shown in Table 1, the Ministry of International Trade & Industry's production index for electric machinery and equipment made a tangible gain of 60% in the January-September 1959 period (compared with 1958's monthly average), whereas the corresponding increase for the composite index of all kinds of machinery was not more than 34%. It is to be recalled that the rate of production boost for electric machinery and equipment was a new record, far bigger than the previous high of 52% registered from 1955 to 1956.

1. Production Index for Electric Machinery

Monthly Average	Composite Index for All Kinds of Machinery	Index for Electric Machinery
1954	98.8	89.9
1955	100.0	100.0
1956	145.2	152.3
1957	202.1	218.4
1958	216.4	267.9
1959 Jan.-Sept.	290.3	428.3

Source: The Ministry of International Trade & Industry.

Reasons for such output expansion were: 1) domestic requirements for electric household appliances were as brisk as ever; 2) production markedly picked up for heavy electric machinery in contrast to the 1958 slump; 3) some kinds of communication equipment were manufactured increasingly though a decrease was seen in 1958, and 4) a steady rise was witnessed in electronics.

It is particularly noteworthy that the production upcurve turned out much steeper than interested circles anticipated at first. At the start of 1959, the Japan Electric Machine Industry Association made public its business forecast for fiscal 1959, in which the possible output gain over fiscal 1958 was estimated at 6%. In view of the ever-brisker business outlook, the Association revised its forecast in the latter half, saying that production would show a greater increase of 16% from the preceding fiscal year. Important gainers will be: standard type motors (the possible increase estimated at 47%), standard type transformers (21%), other transformers (41%), electric refrigerators (28%), and electric washing machines (18%).

Orders Active for Electric Machines

New orders for electric machinery and equipment got brisk last year. According to the Economic Planning Agency's survey (covering 10 leading corporations in this line), new purchase orders for heavy electric machinery shrank to ¥5.2 billion in April, 1958, but the figure recovered to ¥17.3 billion in September, 1959. Though this new business was yet smaller than the peak of ¥20.4

billion recorded in March, 1957, new orders had been bigger than sales every month since the turn of 1959.

Electric machinery and equipment were sold increasingly from 1957 through 1958, but monthly sales in 1959 got stabilized at ¥10-12 billion. As a result, the backlog of unfilled orders in the hands of makers gradually increased from the bottom of ¥100.8 billion in January to ¥114.9 billion in September, 1959 (compared with the previous record figure of ¥138 billion registered in September, 1957).

The same survey reveals that electric machinery and equipment sales averaged ¥8 billion or so a month at the time of the previous peak, but that the recent turn-over stands at about ¥12 billion a month, or up nearly 50%. Accordingly, in spite of the substantial briskness of purchase offers, the gain of backlog has become less marked than ever.

What, then, will be the future course of requirements? Let us pick up some indicators.

The Japan Electric Power Investigation Committee, for instance, estimates that four years later power requirements will reach 19,450,000 kW. This means that the annual increase of power needs will be 9.5%. Thus, purchase offers for generators, transformers and other equipment for power transmission and distribution will get brisker year after year.

According to the Ministry of International Trade & Industry's investigation, equipment investments of 1,100 business corporations are scheduled at ¥880 billion for fiscal 1959, or an increase of ¥190 billion over fiscal 1958's ¥690 billion (actually invested). Fearing that such reckless investments certainly will "overheat" the business boom, the Ministry has reportedly decided to cut off by 10% or so the scheduled equipment investments in the latter half, thereby to reduce the annual total to ¥830 billion. But this figure is still 20% bigger than actual investments in the preceding fiscal year. Every hope exists, therefore, that the scheduled equipment investments will further stimulate demand for electric machinery and equipment.

Customer buying will be brisker in 1960 for TV receivers and other household appliances. As for TV sets, some people fear that production will get to the summit in 1960. After all, however, far more sets will be made and marketed than in 1959. In the case of radio receivers, production has been increasing rapidly due to ever-brisker exports, and it will remain on a high level though such a surprising tempo of increase as in the past few years will never be seen again. Electric refrigerators will enjoy wider popularity in all likelihood. Moreover, a number of makers are planning to put on sale some new appliances for household electrification. Thus, the so-called "electric household appliance boom" will remain unabated for some time to come.

2. Production Index for Electric Machinery Classified by Category

(A) Heavy Machinery

Monthly Average	AC Generators	AC Motors	Trans- formers
1954	94.9	129.3	99.0
1955	100.0	100.0	100.0
1956	67.6	195.8	119.2
1957	121.4	273.2	184.1
1958	153.4	204.1	189.8
1959 Jan.—Sept.	204.1	261.8	220.6

(B) Household Appliances

Monthly Average	Washing Machines	Refriger- ators	Radio Receivers	TV Receivers
1954	57.6	55.6	78.0	23.0
1955	100.0	100.0	100.0	100.0
1956	163.6	265.6	166.7	228.6
1957	185.3	756.3	200.0	448.9
1958	214.3	1,356.5	273.8	882.9
1959 Jan.—Sept.	251.0	1,623.4	504.4	1,937.2

(C) Communication Equipment & Industrial Instruments

Monthly Average	Telephones	Automatic Exchanges	Vacuum Tubes for Receivers	Industrial Instruments
1954	121.2	129.6	84.3	118.2
1955	100.0	100.0	100.0	100.0
1956	132.6	130.3	148.1	166.8
1957	185.3	227.6	192.2	263.6
1958	139.8	195.7	191.6	205.6
1959 Jan.—Sept.	164.6	241.8	342.0	287.3

Source: The Ministry of International Trade & Industry.

Makers Pushing Expansion Plans

Prosperity will prevail continuously in the electric machinery industry, and leading makers are stepping up their plans for equipment expansion. Hitachi Seisakusho and Tokyo Shibaura Electric are planning to make equipment investments to the extent of about ¥15 billion in fiscal 1959, or 50% more than they actually invested in the preceding fiscal year. In the meantime, Mitsubishi Electric Mfg. is thinking of boosting its equipment investments from ¥3 billion in fiscal 1958 to about ¥9 billion in the current fiscal year.

In making such active investments, Hitachi puts particular emphasis upon large-size thermal plant equipment (atomic power equipment in the future) and electronics; Tokyo Shibaura Electric, on electronics; and Mitsubishi Electric Mfg., upon heavy machinery. Fuji Electric Mfg. has up its sleeve plans for construction of new plants for large-size machinery, radiation equipment, etc. Meidensha Electric Mfg. is building a plant for heavy machinery.

Hitachi, Ltd.

Hitachi Ltd., whose capital is scheduled to be increased to ¥30 billion on March 1, 1960, appears every year on the Fortune magazine's list of big businesses in the world. It is really one of the giant concerns in Japan. Though its main business is manufacture and sales of electric machinery and equipment, it undertakes a wide variety of additional lines, such as industrial machines, railway rolling stock, chemical plants and metal products.

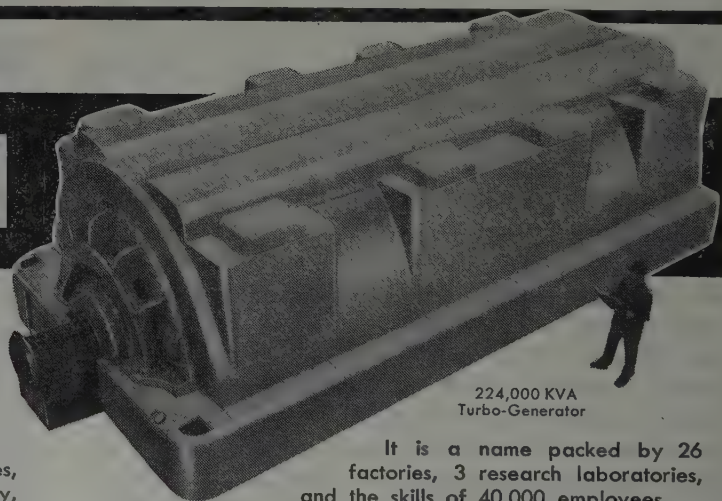
From April through September, 1959, of the total sales turnover, heavy electric machinery (generators, motors, etc.) comprised 35%, light electric machinery (appliances, instruments, communication equipment, etc.) 38.2%, and others 26.8%. It is worth mentioning that light electric machines have been gaining in importance in the company's business. From October, 1958, through March, 1959, this kind of machinery accounted for 34.8% of the total sales, or smaller than 37.2% for heavy electric machinery. As mentioned above, the reverse was the case in the April—September 1959 period. Responsible for such rising importance of light machines were 1) the rapidly

HITACHI

What it means

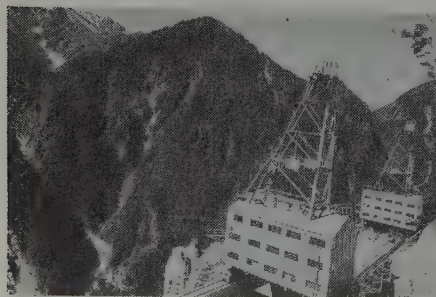
Hitachi is the name of the mightiest industrial complex in Japan.

It is a name proudly borne by massive generators, turbines, transformers, rolling stock, civil engineering machinery, nuclear power and research equipment, scientific instruments, electric household appliances, etc.



224,000 KVA
Turbo-Generator

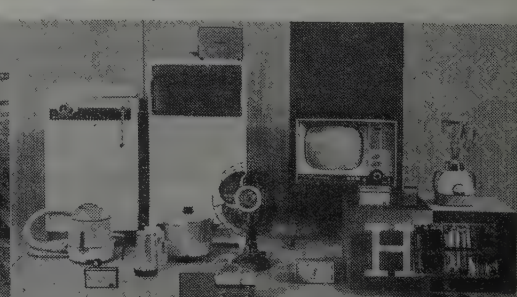
It is a name packed by 26 factories, 3 research laboratories, and the skills of 40,000 employees. Throughout the world, it is regarded as a name that guarantees dependable service.



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increased sales of light appliances and communication equipment, particularly transistors and Braun tubes, and 2) dull trade in heavy machinery.

Since the war's end, requirements for electric machinery and equipment have been on the steady gain due to the ever-growing equipment investments for power development and to the ever-wider popularity of household electric appliances. To meet such rising demand at home, Hitachi has not only been developing its own techniques in this field but also entered into technical tieup agreements with Babcock & Wilcock (UK) and General Electric (USA) for fabrication of large size thermal generators, etc. It has also been exerting utmost efforts for development of electronics and atomic power equipment.

The company is known at home and abroad for its electron microscopes and analog computers, and it now is striving for manufacture of digital computers. It has recently delivered an electron computer for ticket subscription to the Japanese National Railways. Besides, it is expanding its transistor plant.

In the field of atomic power equipment, the company has been awarded a contract for the body of JRR-3, or first completely home-built reactor to be built by the Japan Atomic Energy Research Institute, and it is manufacturing dosage meters and other radiation equipment. Not only that, it is a leading member of the Tokyo Atomic Industrial Consortium (popularly known as the Hitachi Atomic Power Group). This group includes, among others, Showa Denko and Fuji Bank.

In the past few years, business results have been getting

better term after term. From April through September, 1959, sales amounted to ¥74.7 billion, netting a profit of ¥5.8 billion. With capital at ¥22.5 billion, the annual rate of profit stood at as high as 51%. In that term, the company got new orders amounting to ¥87.1 billion, and its term-end backlogs came at ¥87.2 billion. To go into details, these unfilled orders were equal to 11 months' operations for generators, 13 months' operations for motors, and 8 months' operations for industrial machines.

From October, 1959, through March, 1960, business is expected to register far better results in all likelihood. New orders, sales and profits certainly will curve up by 5-10%. And the dividend rate will be kept at 15% per annum. In the following term (April-September, 1960), the company is most likely to declare a special dividend of 5% a year in commemoration of the 50th anniversary of its founding.

Tokyo Shibaura Electric

Manufacturing both heavy and light electric machinery and equipment in a well-balanced ratio, this is one of the big three firms in this line. Prior to the war, heavy machines comprised one-third of the total output and light types two-thirds. Soon after the war's end, the former temporarily accounted for as much as 70%, but the recent breakdown has recovered to the prewar position: i.e. 34% for heavy and 66% for light machinery and equipment.

Even classified by medium group, the company is manufacturing nearly 4,000 kinds of products. Major groups are: electric bulbs, fluorescent lamps, electron tubes,

A VAST ADVANCE IN THE MANUFACTURE OF TURBINE GENERATORS

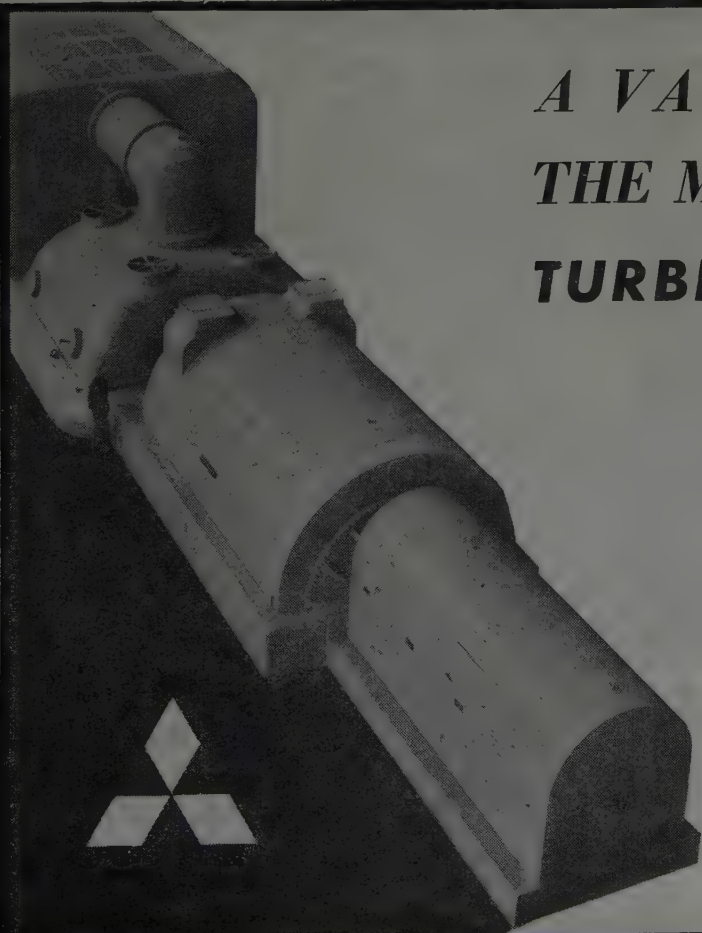
208,696 kVA Hydrogen Cooled (Inner Cooled) Turbine Generator, the largest of this type in the Orient, has been completed.... another tribute to the superior engineering techniques of MITSUBISHI ELECTRIC who has constructed it.

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semi-conductors, household appliances, machines and instruments, communication equipment, electronics, rotary electric machines and static electric machines. It is also fabricating water wheels, electric locomotives, nuclear reactor equipment, cyclotrons, synchrotrons, Van de Graff accelerators, silicone and graph oil.

These products are manufactured at 17 plants. Electric bulbs and tubes are made at the Horikawacho, Himeji, Kokura, Osaka, Yokosuka and Sunamachi plants; transistors at the Kawasaki mill; machines and instruments at the Yanagicho, Fuji, Kawaguchi, Nagoya and Tamagawa factories; electric machinery and equipment at the Tsurumi, Fuchu, Mie and Kamata works; and communication equipment at the Komukai plant. Besides, there are the Matsuda Research Institute for light equipment and the Tsurumi Research Institute for heavy machinery, and a central institute will be set up for basic researches necessary for these two institutes.

Since the prewar years, the company has been closely cooperating, both technically and financially, with International General Electric (USA). It has also entered into a technical cooperation agreement with Radio Corporation of America for television and radio equipment. Besides, it has signed technical contracts with 14 corporations in the United States, the United Kingdom, France, Switzerland, West Germany and the Netherlands. On the other hand, it is offering technical services to five concerns in Southeast Asia (India, Taiwan, etc.).

It is also noteworthy that the company now has under its wings 50 odd subsidiaries. They are popularly called the Toshiba Group.

On January 14, 1960, the company boosted its capital

to ¥25 billion. At that time, it had 45,000 employees and owned 4,160,000 square meters of plant sites and other lands and 1,120,000 square meters of buildings.

In the six-month term ending with September, 1958, sales amounted to ¥40.1 billion, and the figure increased to ¥45.7 billion in the following term. In the April-September 1959 term, ¥52 billion worth was sold, or a marked increase of 29.6% from a year ago, and this total was broken down: 16% for bulbs and tubes, 28% for machines and instruments, 34% for electric machines and equipment, and 22% for communication equipment. In the like term of 1958, the breakdown was: 12% for bulbs and tubes, 29% for machines and instruments, 44% for electric machines and equipment, and 15% for communication equipment. It follows that bulbs and tubes, and communication equipment last year gained in importance. In fact, sales substantially picked up for transistors, semi-conductors, Braun tubes, TV receivers and other electronic equipment.

From October, 1959, through March, 1960, it is expected, sales will reach ¥57 billion, or up ¥5 billion from six months ago.

The company has been paying a 15%-a-year dividend in the past terms. In the April-September 1959 term, it netted a profit of ¥5,234 million, with the profit rate at as high as 69.8%, and again declared a 15% dividend. Even after the recent capital boost, the dividend will be kept at this rate in all likelihood.

Mitsubishi Electric Mfg.

Capitalized at ¥12.8 billion, this is one of the biggest outfits in the Mitsubishi kingdom and ranks among the

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big three makers in this field.

The company manufactures not only heavy and light electric machinery but also electric equipment for rolling stock and industrial machines. Of the total turnout from April through June, 1959, heavy machinery (rotary and static) comprised 38.4%, light machinery (machines, appliances, instruments, radio equipment, etc.) 39.7%, and others (electric equipment for rolling stock, industrial machines, etc.) 21.9%. Though its main business was once heavy electric machinery, the company has been concentrating production efforts upon household appliances. As a result, light machines have come to exceed heavy machinery in percentage.

Since the prewar years, the company has been in close cooperation with Westinghouse Electric (USA). In the field of thermal power plants, it has been far ahead of other makers, and since the war's end it has been taking the initiative for fabrication of large capacity and high speed thermal generators, for which postwar requirements have been getting brisk.

As for hydro-electric equipment, too, the company has succeeded in offering epoch-making products in this country. In 1959, for instance, it built three 105,000 KVA water wheel generators and three 105,000 KVA three-phase transformers for the Takokura Power Station of Power Development Corp, and one 312,000 KVA three-phase transformer for the Minamikawagoye Substation of the same company.

Utmost efforts have recently been lavished for electronics and atomic power equipment. As for electronics, the company now is building a new plant for large-scale production of transistors. It is also worth mentioning

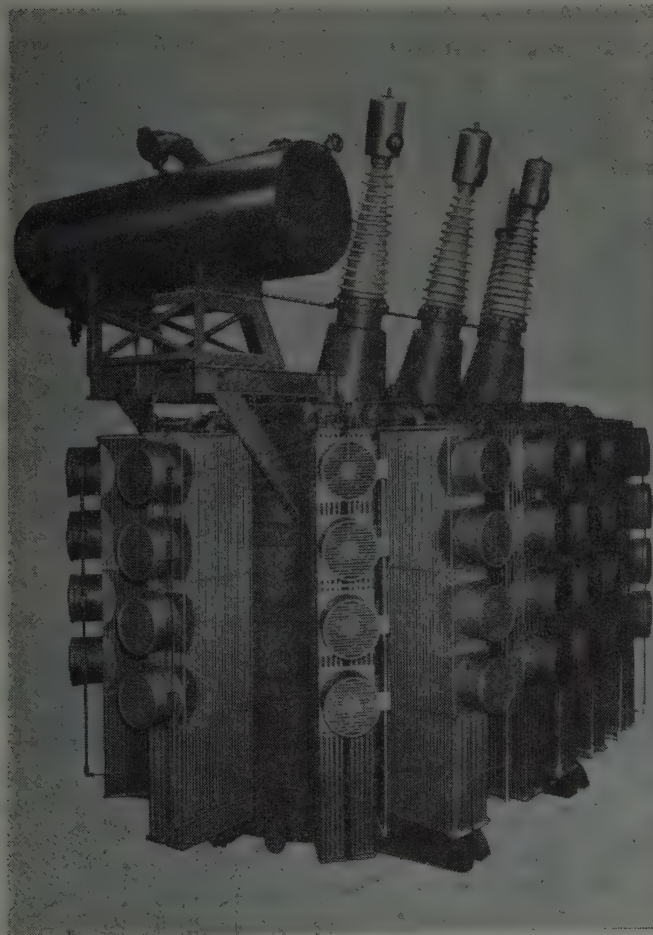
that it is manufacturing silicon rectifiers, and that it has already succeeded in making millimeter wave radar units.

For development of atomic power, the company is playing a key role in the Mitsubishi Atomic Power Committee. It is to fabricate necessary instruments and equipment, while on the other hand Mitsubishi Atomic Power Industries is in fact a nucleus of this group. It has been awarded a contract for the water and gas systems of JRR-3, or the first completely home-made reactor in Japan. It is planning to enlarge the atomic power department of the Itami Research Institute, and it has up its sleeve other programs in this field.

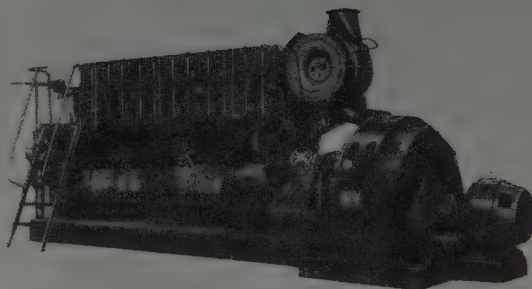
Business results have been encouraging in the past years. From April through September, 1959, sales totalled ¥34.4 billion, and profits ¥2,655 million (the profit rate at 41% against the authorized capital of ¥12.8 billion). Thus, the company could easily keep the dividend at 15% a year. In this term, orders amounted to ¥36.5 billion, and backlogs at the term end came at ¥38.1 billion, or twice as much as six months ago.

Responsible for such piling-up of unfilled orders are big purchase offers from a number of electric power, iron and steel, chemical, paper-pulp, transportation, construction and munitions corporations for the following kinds of machinery: i.e. water wheel generators, turbogenerators, motors, transformers, circuit breakers, switchboards, electric equipment for rolling stock, radio communication equipment, elevators, escalators and silicone rectifiers. Orders were active also for such household items as electric refrigerators, fans, TV receivers and fluorescent lamps.

Business will further improve in the current term from October, 1959, to March, 1960. Sales will curve up to



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¥42 billion, and profits to ¥3.1 billion. Thus, the dividend rate will be kept at 15% a year. It is expected that the company will boost its capital to about ¥20 billion in the course of 1960.

Fuji Electric Mfg.

Capitalized at ¥5.4 billion, this firm is a leading member of the Furukawa industrial group and an electric machinery maker of medium standing, next only to the big three interests, or Hitachi, Tokyo Shibaura Electric and Mitsubishi Electric.

Closely cooperating with Siemens interests in Germany, the company is the sole maker of Siemens type electric machinery and equipment not only in Japan but also in the whole of Asia. As for communication equipment, it has under its control a subsidiary, Fuji Tsushinki Seizo, which is also in technical tieup with the German concern.

In the company's business, heavy machinery (generators, motors, transformers, rectifiers, switchboards, etc.) carry more weight than light type equipment (instruments, household appliances, etc.). From April through September, 1959, the former accounted for 66.1% of the total sales, the latter 31.4%, and others 2.5%.

Throughout the past year, however, efforts were directed toward greater sales of household appliances. This can be seen in the fact that the afore-mentioned percentage of light equipment was much bigger than 17.1% registered in the preceding term (October, 1958, through March, 1959). In that term, the share of heavy machinery stood at as high as 81.7% compared with 66.1% in the April-September 1959 period.

Though it falls far behind other makers in the field

of communication equipment and electronics, the company is closely collaborating with two affiliates in these lines, namely Fuji Tsushinki Seizo and Kobe Kogyo. It is striving also for greater production of electronic instruments and silicone rectifiers.

In the field of atomic power, the company belongs to the First Atomic Power Industry Group. It has got orders for machinery and equipment from the Japan Atomic Energy Research Institute and Tokyo University's Nuclear Physics Research Institute. When Japan Atomic Power in December, 1959, entered into a provisional contract with GEC (UK) for purchase of an improved Calder Hall type power reactor, a subcontract of about 40% of the machinery and equipment to be fabricated at home was given to this firm.

It is also noteworthy that the company now is building a 12,000 kW closed-cycle gas turbine generator. In this manner, it is always lavishing efforts for development of new machines.

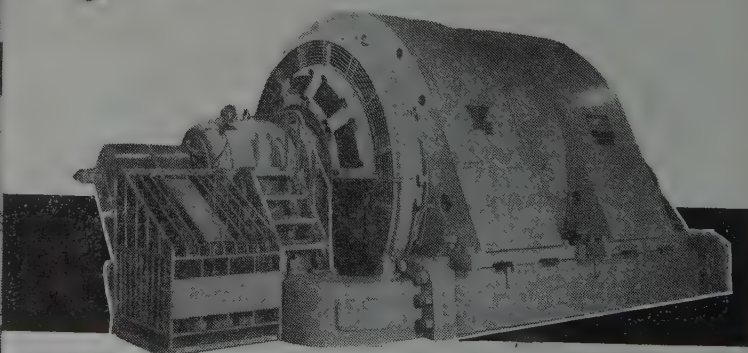
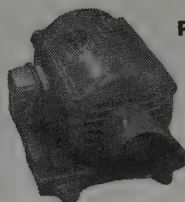
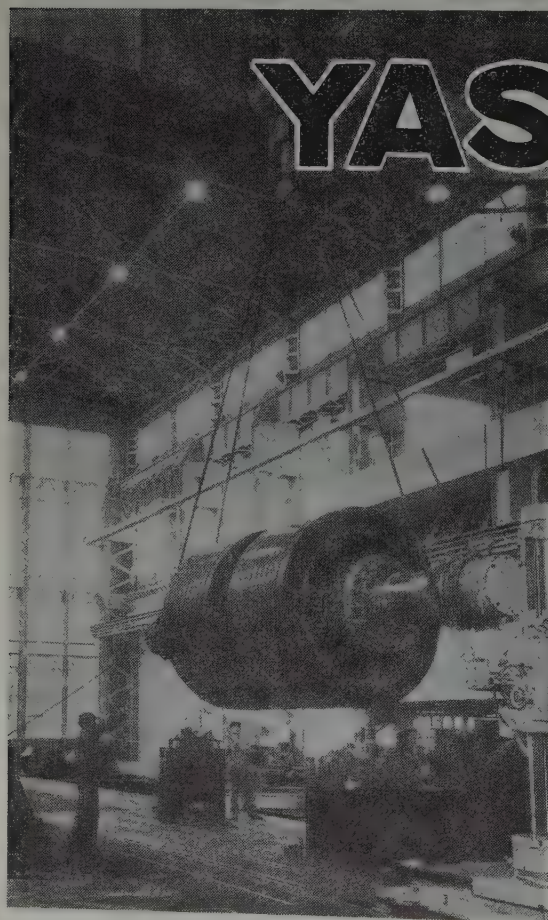
From April through September, sales amounted to ¥12.5 billion, and profits reached ¥1,255 million though expenses made a sharp increase due to the serious Ise Bay Typhoon damages. With the profit rate at 46% against the ¥5.4 billion capital, the company kept the dividend rate at 15% a year. New orders received in this term added up to ¥14.4 billion, and backlogs outstanding at the end of the term came at ¥16.2 billion.

In the current term from October, 1959, to March, 1960, the company will be flooded with more new orders than ever, and the total of new business, it is estimated, will sum up to more than ¥25.0 billion, including new contracts for atomic power equipment. After all, the company will get a record-breaking volume of new orders. And

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it may take due credit for its positive policy for atomic power development, though not a few unknown factors are still involved in the cost of the Calder Hall type power reactor. In this term, both sales and profits will enjoy a gain of 15% or so from the April-September 1959 period.

For further expansion of its business activities, the company is thinking of constructing a new plant for large size electric machinery in Chiba prefecture and another one for radiation instruments and equipment in Kanagawa prefecture. And it will have to boost its capital again if these plans are put into practice.

Yaskawa Electric Mfg.

Since its founding, the company has been concentrating production efforts upon two main lines, namely (1) generators and motors and (2) controllers and switchboards, and it has been well known for the good performances of its manufactures. In these lines, it is well able to compete even with Hitachi, Tokyo Shibaura Electric and Mitsubishi Electric Mfg. For instance, its DC motors for material feeding equipment of blast furnaces and synchronous motors for cement rotary kilns are recognized as the best quality units in this country. Its large size synchronous motors for gas compressors, special motors for shaft winches, and sectional drive devices for paper making machines are enjoying wide popularity among users.

Of the total output from April through September, 1959, rotary machines (induction motors, synchronous motors, DC motors, synchronous generators, DC generators, etc.) comprised 72%, and control devices (switchboards, switchgears, etc.) 28%.

The company settles its accounts once a year in March. In the term ending with March, 1959, sales and profits totalled ¥5,900 and ¥584 million, respectively, with the dividend declared at 15% a year. In the current term (1959), business conditions have been improving substantially. In April and May, new orders averaged ¥600 million a month and sales not more than ¥500 million. In the June-July season, however, purchase offers got so brisk that the April-September total amounted to ¥4,200 million for new business and ¥3,400 million for sales, both up 30% from a year ago. The net profit in the whole year is estimated at not less than ¥700 million, or the biggest figure since the company's founding.

The company will boost by 50% its capital to ¥2.3 billion on February 1, 1960. But it will keep the dividend rate at 15% for the current term.

From 1960 through 1961, the company will invest nearly ¥1.5 billion for expansion of its rotary machine plant and construction of a new plant at Yukuhashi, North Kyushu, for manufacture of control devices. Not only that, it is pushing the construction works of a research institute, a tool mill and an experimental manufacture plant with the total cost of ¥800 million. Upon completion of these expansion works, the company will have the annual capacity of about ¥900 million a year, or ¥200 million bigger than ever.

The company has been striving for technical betterment. For DC motors, it has signed a patent contract with a Swiss firm, Brown, Boveri & Co. It has successfully developed electronic control devices. And it is thinking of entering into a new technical arrangement with a Swiss concern for fabrication of mercury rectifiers.

In cooperation with other interests, the company has started marketing such new products as disposers and room



Motors

Generators

Controllers

Control Panels

Switch Gear

Lifting Magnets

Magnetic Clutches

Electric Household Appliances

Electric Tools

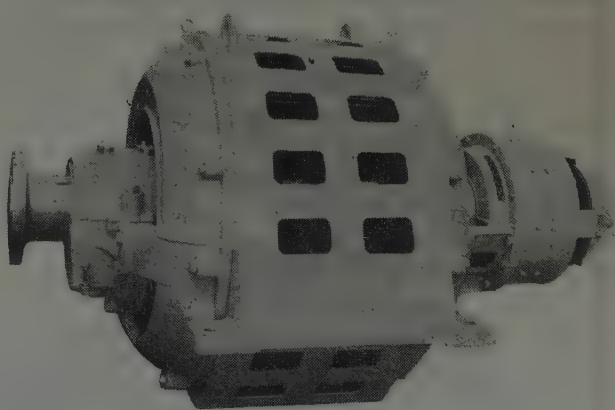
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coolers with a view to boosting the sales of Yaskawa motors.

For five years to come, the company hopes, its business will grow at the annual rate of 10-12% thanks to its active equipment investments above mentioned as well as the ever-brisker demand at home. In 1961, it will have to increase its capital again by 50%.

Shinko Electric

Isolated from Kobe Steel Works, this company is manufacturing mainly generators and motors. It now is capitalized at ¥400 million and operates three factories at Toba, Yamada and Tokyo.

Of the total production in the term ending with September, 1959, generators and motors comprised 44.4%, and the balance is covered by a wide variety of machines and equipment: e.g. sectional drive devices for paper makers, lifting magnets for steel works, industrial vehicles (crawler type shovel cars, overloaders, etc.), electromagnetic vibratory equipment (made in technical tieup with an American firm, Syntrol), electrically-driven tools, office equipment (receiptors, cash registers, etc.), and aircraft accessories. Promising items among these manufactures are crane motors, electric accessories for minor fishing boats, organ motors, lifting magnets, sectional drive devices and electromagnetic vibrators.

In the April-September 1959 term, the company sold ¥2,125 million worth, or a gain of ¥350 million from the preceding term. Due to the Ise Bay Typhoon damages, however, it had to book a loss of ¥59.58 million, but it could keep the dividend at 12% a year.

In the current term, as new orders have averaged more

than ¥500 million a month, sales will probably reach ¥2,400 million with profits at ¥150 million. Even if a loss of about ¥50 million has again to be booked due to the typhoon damages, the dividend will be kept at 12% as ever.

In all likelihood, the company will step up two counter-measures for expansion and consolidation: i.e. 1) more emphasis upon three main lines, or rotary machines, set equipment, and vibrators, through adjustment of too many manufactures, and 2) much closer tieup with its mother firm, Kobe Steel Works. As part of such a positive policy, it is making preparations for fabrication of larger machines and atomic power equipment. Plans now are being studied carefully for construction of a new plant either in the compound of the Yamada Plant in Mie prefecture or somewhere else. Indications are that it will announce a bold capital increase plan in March, 1960.

Toyo Denki Seizo

This company was incorporated in June, 1918, for domestic manufacture of electric equipment for railway rolling stock which had thus far been imported from abroad. It has since been in technical tieup with a British firm, Dick Kerr. Even at present, electric machinery of this sort account for 70% of the total output, and others (industrial machines, etc.) not more than 30%.

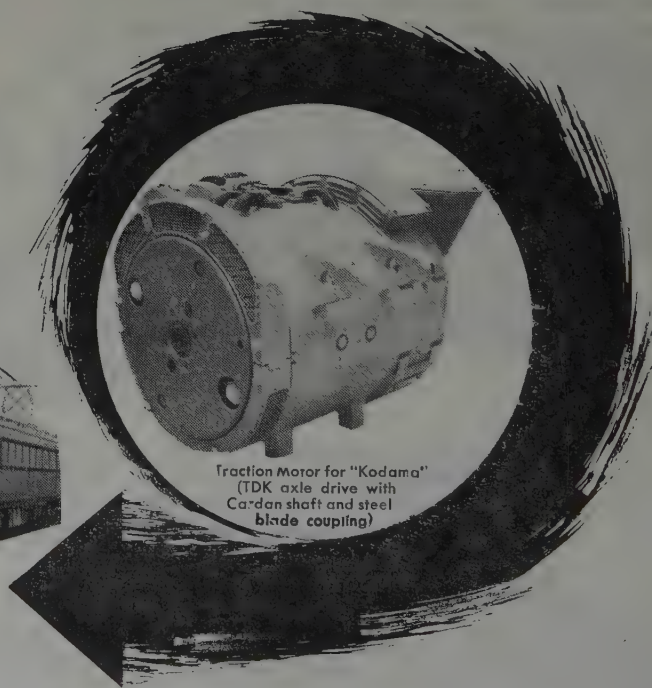
Among its electric machines for industrial use, the most important item is commutator motors. In this special field, the company is far ahead of other leading interests. Other popular machines are small water wheel generators and marine winch motors.

Three plants now are in operation at Yokohama,

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Totsuka and Kyoto. The Yokohama Plant manufactures rolling stock traction motors, water wheel generators and large commutator motors; and the Totsuka Plant, rolling stock controlling devices, pantographs, T.D.K. axle drive systems with Cardan shaft, marine winches and air slide cars (for loading of bulky materials). The Kyoto Works is a postwar establishment built in 1957, mass-producing small size commutator motors. As its first-stage construction has been completed, the plant will launch upon a second-stage program for expansion.

For rolling stock motors and equipment, the best clients are the National Railways and private railroads. It is particularly noteworthy that the company has been playing an important role in the ever-wider introduction of the Cardan shaft drive system in Japanese electric railways since the war's end. It was the first firm to manufacture this system in Japan, and it has been the biggest supplier of this drive device for private railroads. Its system is also adopted widely in the national railways, especially in express trains on the Tokaido Main Line.

The company is much interested in new lines. For instance, it is offering liberal financial aid to Nippon Audio Industry, which is making and marketing transistorized "power-phone" (a kind of telephone).

Stimulated by the expansion programs of the national and private railways and the active equipments investments in the business world, the company has been flooded with growing purchase offers, and its business results have been getting better. It now is capitalized at ¥900 million.

In the six-month term closing with November, 1959, sales amounted to ¥1,892 million, or up about ¥200 million (18%) from the preceding term, and profits totalled ¥174 million (38.6% against the authorized capital). The dividend was kept at the same level as ever, or 15%. Time will come sooner or later when the company will increase its capital without having to reduce its present dividend rate of 15.0%.

Meidensha Electric Mfg.

This is a heavy electric machinery maker of medium standing, next to Fuji Electric Mfg., with its authorized capital at ¥2.4 billion. Major products are: motors, other rotary machines, switchgears, transformers and crystal oscillators. Of the total turnout from April through September, 1959, motors comprised 28.3%, other rotary machines 14.0%, switchgears 21.8%, transformers, 14.4%, crystal oscillators 0.6%, and others 21.0%.

Including motors, rotary machines as a whole account for one half of the total business. As for generators, the company has so far been manufacturing mainly hydro-electric equipment, but it now is planning to fabricate thermal power equipment as developmental efforts in Japan are gradually switched over from water to thermal plants. In technical tieup with a German firm, Allgemeine Elektrizitaet Gesellschaft, it will start manufacture of extra-high voltage transformers. It is mass-producing household appliances and electrically-driven tools, and it has mapped out a plan for large scale fabrication of industrial instruments and other automation equipment.

The company once planned to enter into the arena of atomic power development on its own account, but later it cast in its lot with the Sumitomo Atomic Energy Industry Group when the latter was finally founded in December, 1959. Yaskawa Electric Mfg. is also another

key member of this group. With these two electric machinery builders under its orbit, the Sumitomo group is well able to undertake manufacture of generators and other electric equipment for tapping of nuclear energy.

In 1959, the company intended to push a plan to build a new plant at Toyokawa, Aichi prefecture, but it has later been obliged to change the plant site to Numazu, Shizuoka prefecture. To be made at the new plant are extra-high voltage breakers and then transformers.

In the April-September 1959 term, sales totalled ¥4.6 billion, and profits ¥361 million. And the dividend was declared at 15% though capital was boosted by 50% to ¥2.4 billion. In this term, new orders summed up to ¥5.9 billion, and term-end backlogs amounted to nearly ¥7 billion.

From October, 1959, through March, this year, sales will reach ¥5.2-5.3 billion, and profits will jump to ¥450 million. And the dividend will again be kept at 15%.

As a leading member of the Sumitomo Atomic Energy Industry Group, the company will redouble its efforts for multilateral operations from electric machinery and electronics to atomic power equipment, vying with other interests in this line.

Takaoka Engineering Works

Capitalized at ¥720 million, this firm specializes in such static equipment as transformers, switchgears, breakers and switchboards. Though it has not been enjoying the "household appliance boom" as other makers have, it has built up its firm position as makers of transformers and switchgears. Another noteworthy fact is that it is practically a subsidiary of Tokyo Electric Power, or the biggest power supplier in Japan, which controls nearly 14% of its shares.

Business conditions have been improving due to the active equipment investments in the business world, particularly those by power firms for expansion of the transmission and distribution services. In the April-September 1959 term, sales amounted to ¥1,800 million compared with ¥1,500 million six months ago, but the profit remained on the same level, or ¥149 million, because of the higher material cost and of the intensified sales competition. A more remarkable improvement certainly will take place in the current term (ending with March, 1960), for power companies now are investing more capital in their transmission and distribution facilities though their investments for power development have visibly decreased. Requirements will get brisker than ever for transformers, breakers and switchgears.

To cope with the situation, the company will have to carry out another expansion plan sooner or later. From 1957 through 1958, it expanded the two plants at Nagoya for greater manufacture of large size transformers. As requirements are growing for much bigger transformers exceeding 30,000 KVA, it has to set up new production equipment if it wants to compete with leading makers in this line. Thus, it will boost its capital by 50% or so probably in the first half of 1960. Conditions are so encouraging that it will be able to keep the dividend at 15% even after the possible capital boost.

Views & Topics

Rolling Stock Industry

By Goro Okada

Production in Fiscal 1958-59 (ended March 1959)

ACCORDING to the Ministry of Transportation of the Japanese Government the total value of orders received during fiscal 1958-59 by Japanese rolling stock manufacturers amounted to ¥34,640 million. Production came to ¥30,740 million; while deliveries of rolling stock parts and components amounted to ¥21,490 million. Details concerning newly built rolling stock are given in Table 1.

1. Newly Built Rolling Stock, Fiscal 1958-59

(Production value in ¥ million)

Consumer	Value	Percentage
Japanese National Railways	20,679	70
Private Railroads	5,469	19
Export Sales	3,390	11
Total	29,538	100
Product		
Steam Locomotives	574	1.9
Electric Locomotives	4,193	14.2
Diesel Locomotives	4,502	15.2
Passenger Coaches	3,150	10.4
Electric Coaches	8,700	29.5
Diesel Coaches	3,038	10.3
Freight Cars	5,382	18.2
Total	29,538	100.0

Table 2 shows the amounts of rolling stock parts and components deliveries by customer.

2. Rolling Stock Parts and Components Deliveries, Fiscal 1958-59

(In ¥ million)

Customer	Value Delivered
Japanese National Railways	10,214
Private Railroads	7,348
Export	3,491
Total	21,491

Production of new rolling stock in fiscal 1958-59 declined considerably as against the output of ¥36,300 million achieved in fiscal 1957-58, while export sales registered a marked slump.

Production Trends

By comparing the production for fiscal 1958-59 with the trend of recent years, it is possible to obtain a fair idea of the status of Japan's rolling stock industry. Production since fiscal 1955-56, according to the index figures of the Japan Association of Rolling Stock Manufacturers shown in Table 3. The Association's index is based on the standard unit, with all types of rolling stock expressed in terms of the 15-ton open freight car.

3. Production Trend in Recent Years

(Standard unit index)

	Fiscal 1955-56	Fiscal 1956-57	Fiscal 1957-58	Fiscal 1958-59
JNR	100	146	202	170
Private	100	190	250	188
Export	100	157	92	47
Total	100	155	173	133

It will be noted that production in fiscal 1958-59 declined by some 20 percent from the level of fiscal 1957-58,

with export sales down by about a half. It is also evident that despite the 5-year program for rolling stock improvement undertaken by both the JNR and the private roads there was a slowdown in procurement soon after the plan was adopted.

As for the transition of the rolling stock industry since the war, whereas production for all mining and manufacturing early in 1951, iron and steel late in 1949, machinery in general in mid-1948, and chemicals in the autumn of 1950 exceeded their respective prewar (1935) levels, it took until fiscal 1956-57 for the rolling stock industry to climb back to prewar scale, while the going subsequently has been by no means smooth.

4. Rolling Stock Production

(Fiscal 1936-37=100)

Fiscal Year	Production Index	Fiscal Year	Production Index
1936-37	100	1955-56	78
1940-41	67	1956-57	122
1946-47	198	1957-58	136
1950-51	67	1958-59	105

Situation in Fiscal 1959-60

In the first quarter (April through June) of fiscal 1959-60 there were produced only 8 electric locomotives, 24 diesel locomotives, 87 passenger cars, 67 diesel coaches, 107 electric coaches, and 869 freight cars, a rather poor showing considering the boom in all other areas of machinery manufacturing. It must be noted, however, that a fairly large number of construction starts were made during this period; and actual work volume was considerably in excess of what the production figures would indicate. Consequently, what with additional orders for JNR freight cars, production activity can be expected to heighten. The biggest hope, nevertheless, lies in the materialization in fiscal 1960-61 of JNR's program for modernization of tractive power.

5. Rolling Stock Production, April-June 1959

(In Units)	JNR	Private Rlys.	Export	Total
Electric Locomotives	8	—	—	8
Diesel-Electric Locomotives	10	—	—	10
Diesel Locomotives	10	4	—	14
Passenger Cars	34	1	52	87
Diesel Coaches	45	4	18	67
Electric Coaches	66	41	—	107
Freight Cars	702	130	37	869

Export of Rolling Stock

Table 6 shows export contracts concluded for export of rolling stock during the period fiscal 1951-57 through fiscal 1958-59, as reported by the Ministry of Transportation. The total value involved comes to some ¥48,830 million, more than ¥6,000 million per annum on the average. However, this average falls short of the annual targets set at more than ¥10,000 million; so export sales cannot be described as booming.

6. Export Rolling Stock Contracts, Fiscal 1951-52 Thru 1958-59

(In units)

Destination	Steam Loco.	Diesel Loco.	Elect. Loco.	Elect. Coach	Motor Coach	Pass. Car	Freight Car	Value (¥ million)
Southeast Asia								
Taiwan	8	3	10		18	112	399	2,510
Thailand	26	5			18	401	1,066	6,293
Philippines		1			30	58	336	1,774
Pakistan	25					45	124	1,317
Korea	145					56	1,309	5,241
Indonesia						16	310	586
Burma						171	1,360	3,596
India	375		13	74	12	100	1,187	11,310
Subtotal	579	9	23	74	78	960	6,091	32,627
Mideast								
Iran						20		192
Jordan	5						25	131
Lebanon							25	55
U. A. R.					350			6,587
Subtotal	5				350	20	50	6,965
Africa								
Sudan							36	82
Latin America								
Chile	32							1,305
Argentina	10			59				2,331
Uruguay							300	761
Brazil				126	1	50		3,936
Costa Rica						10	5	140
Bolivia	12							373
Subtotal	54			185	1	60	305	8,846
U. S. S. R.							25	310
Total	638	9	23	259	429	1,065	6,482	48,830
Value (¥ million)	12,226	1,398	223	9,662	10,292	8,160	6,869	

In fiscal 1958-59, however, contracts for export totalled some \$32,460,000 (about ¥10,800 million) to exceed the target level (Table 7).

7. Rolling Stock Exports, Fiscal 1958-59

(In \$1,000)

Republic of Korea	571
Taiwan	1,798
U. S. S. R.	881
Philippines	26
Thailand	965
India	7,061
Pakistan	1,088
Argentina	1,161
Brazil	113
Jordan	365
Egypt	18,441
Total	32,469

The targets set for fiscal 1959-60 are: \$38 million in contracts and \$30,490,000 in shipments; but as of June 30 contracts amounted to only ¥819,787,000 (about \$2.27 million). However, in the majority of cases export contracts for rolling stock tend to materialize in the second half of each fiscal year because the purchasers are governments or parties requiring government sanction. At writing invitations for tenders were out from Taiwan, Thailand, Pakistan, Turkey and other countries, while Burma and Indonesia could be expected to include rolling stock among the reparations items for the year. Also it appeared probable that, if deferred payment could be applied to rolling stock for Argentina, that country would buy 350 electric coaches much in the same way that Egypt in 1958 purchased 350 diesel coaches. The Argentine delivery would result in immediate achievement of the target for fiscal 1959-60; and with such straws in the wind, the export outlook appeared fairly promising.

Future Outlook

It will be seen from the foregoing summary that the rolling stock industry of Japan, while faced with a high potential demand, is suffering from a lack of orders. At

the same time, the product is undergoing rapid transformation into modern vehicles of extremely high performance. More specifically there remain several problems which can be solved only through a better understanding of the situation by the general public.

a. The rolling stock industry seeks bigger volume of orders. But it also wishes to stress that technological advances and rational reduction of costs have been possible only through planned production to meet specific requirements. Consequently, it is essential that both the Japanese National Railways and the private operators establish long-range programs for rolling stock procurement, and carry out such programs without excessive deviation. This matter has been thoroughly studied for more than six months by the Committee for Study of Prices of Rolling Stock Purchased by the National Railway Corporation, a body established by JNR and headed by Professor Eiichi Furukawa of Hitotsubashi University. This Committee, which includes such distinguished people as Mr. H. Inaba, chairman of the board of the National Economic Research Association, published in April 1959 an interim report which contains the following statement:

"The Committee, while recognizing that it is not always possible to foresee changes in the economic situation and the requirements for transportation, without which accurate planning for rolling stock procurement would tend to be difficult, believes that in order to achieve stabilization of prices and steady reduction of costs it will be necessary above all for the National Railway Corporation, the biggest single customer, to undertake steady and dependable procurement. It is therefore urged that the NRC, while reviewing anew its transportation planning and financing program, undertake a thorough study for proper appraisal of the qualitative changes called for in rolling stock by the modernization of tractive power so that an adequate long-range plan may be formulated as soon as is practicable. Since such a plan will have important bearing on adjustments to be undertaken in the productive capacities of the various enterprises engaged in manufacture of rolling stock, it will be essential that the NRC disclose at the earliest possible time its plan to the manufacturers to enable them to prepare for the needed changes. It is also recommended that once a long-range plan is formulated and adopted there should be no preoccupation with short-term shifts in the situation resulting from economic fluctuations, and that the plan be carried through with the support of positively acquired government and private funds."

The industry is happy to note that subsequently the National Railway Corporation has indeed formulated a long-range program for rolling stock based on its planning for modernization of tractive power, while the bigger private railroads too have, in the light of the new situation arising from the recent revision of passenger fare and freight rates, drawn up a 5-year plan for rolling stock improvement.

b. The next problem concerns improvement and expansion of production facilities, the matter referred to by the Price Committee as "adjustments." The JNR plan for modernization of tractive power aims to eliminate all

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steam locomotives at least by the first part of fiscal 1975-76, undertaking in the meantime electrification and diesellization of its trackage. On the basis of this timetable there should be each year procurement of rolling stock, mainly electric locomotives, electric coaches, diesel locomotives and diesel coaches, in the amount of some ¥43,000 million. This would be a far higher-level than the ¥25,000 million average for the past several years; but the industry has adequate capacity to undertake such big production. However, in order to improve the technology needed to achieve higher qualitative results, and to bring about a steady lowering of costs there remains a number of problems to be solved. Among these is the pressing matter of strengthening the cooperative arrangements among rolling stock manufacturers as well as those between final builders and suppliers of parts and supplies.

c. The third problem is that of effecting advances in technology. This is no new thing, but as is widely known the rolling stock industry faces a special problem in that there is planned for completion by the Tokyo Olympic Games of 1964 a standard gauge high-speed line paralleling the present Tokaido Line (Tokyo-Kobe). The rolling stock for use on this line will go into trials from the autumn of 1961. Recently, the Tokyo-Osaka super-express "KODAMA" established a narrow-gauge speed record of 163 kilometers per hour; but since the plans for the new broad gauge line call for coverage of the Tokyo-Osaka run in three hours there will be needed a truly epoch-making advance in technology. In collaboration with the JNR engineers the rolling stock manufacturers as well as parts suppliers are now engaged in research and experimentation for this big project.

8. Rolling Stock Cost Reduction Data (Indices)

	April 1952	February 1957
Labor (wages)	100	145.5
Manhour Requirement	100	72.2
Product Cost	100	90.5

d. The cost reduction problem is no easy one, especially since rolling stock has become more elaborate and sophisticated. For example, the need for reduction of net weight calls for the use of light metals and alloys which naturally are costly. Consequently, it cannot be said that technological advances lead automatically to lower costs. It was once argued that the high cost of diesel locomotives tended to impede dieselization. When major changes are taking place such sacrifices often are simply unavoidable. However, it is obvious that cost reduction must be attempted in some rational way, and the efforts of the industry are indeed concentrated on this point. Table 8 shows the cost reduction effected in the manufacture of 15-ton box cars despite the steady rise in wages. It goes without saying, however, that the endeavor to reduce costs is a never-ending one.

(The writer is President, Japan Association of
Rolling Stock Manufacturers)

Kaleidoscope

Promising Uranium Mines Found:—Japan's Atomic Fuel Corporation announced on December 19, 1959 that two very promising uranium veins had been discovered in Niigata and Yamagata Prefectures. The two veins were found by the Corporation's prospecting group cruising around in an automobile equipped with prospecting instruments. The newly found uranium has the radiation strength five times greater than the natural radiation and three times more powerful than that found in Ningyo-Toge Mine, one of the most promising in Japan so far. The uranium content in the new veins is believed to stand at about 0.1%, while that in the Ningyo-Toge Mine is about 0.06%. The world consensus on the profitable uranium content is about 0.1%. The total deposit amount in the two veins is believed to eclipse the 300-ton mark in comparison with the deposit in the Ningyo-Toge Mine which stands at about 200 tons.

Petroleum Refining Booming:—Supported by the general prosperity of the country's industry and economy, oil refining has recently been enjoying one of the minor booms after the war. According to the Federation of Japan's Petroleum Refiners, the industry's total refining achievement of such mineral fuels as heavy oil, light oil and jet fuels during the one year period from January through December of 1959 grew by as much as 20%, while other items made equally impressive headway during the same period. Japan's total oil consumption in the calendar 1959 eclipsed the 20,000,000 kls.—the greatest in the country's history.

Traffic Accidents:—The year of 1959 proved to be the No. 1 year as far as the traffic accidents are concerned. According to the published reports by the National Police Board, the total number of traffic accidents occurred during the 10-month period from January through October, 1959 stood at 297,784 cases. A gross 8,043 lost life, while other 188,164 suffered various degrees of serious injuries in such accidents. In comparison with the statistics in the corresponding period a year ago, the total number grew by 34.4%; number of deaths by 22.1%; number of injuries by 30.8%; and the material loss by 16.8%—to ¥3,857,000,000. Especially, the growth rate of death cases proved to be the highest in Japan's history, both pre-war and post-war. Automobile is by far the greatest trouble-maker accounting for a gross 75% (122,733 cases) of the total cases; 72% of all deaths; and 96% of the material losses—the fact well-warranting the motor-car-detractors' cry against the "devils' claws." The growth rate of motor car accidents stood at 17.5%—just parallel with the growth rate of motor cars themselves. Following the motor cars, the next mischief-makers in line are motor-bikes accounting for 15% (24,383 cases) of the total and virtually 40.7% greater than the figure in the corresponding period a year ago.

Deaths by Atomic Injuries:—Atomic illnesses and injuries took toll of 38 patients at Hiroshima's Atomic Injuries Clinic during the calendar year of 1959. The figure is the greatest ever recorded since the establishment of the clinic in September, 1956.

Sheet Glass Production:—According to the Japan Sheet Glass Association, the country's sheet glass production for 1960 is expected to reach 11,600,000 cases in terms of ordinary sheet glass—a growth of 13% over the previous year. The expected delivery, on the other hand, will grow by 11% to some 11,500,000 cases.

Iron & Steel Production in 1960: According to the Iron & Steel Federation, Japan is estimated to have achieved during fiscal 1959 the production of 9,380,000 tons of blast furnace pig iron (29.5% more than 1958); 18,020,000 tons of blister steel (41.5% more) and 12,780,000 tons of hot-rolled ordinary steel products (43% more). The production in fiscal 1960, likewise, is expected to make a similar headway—11,100,000

tons of blast furnace pig iron (18.5% more than the estimate for the fiscal 1959); 19,670,000 tons of blister steel (9% more) and 14,000,000 tons of hot-rolled steel products (10% more).

Production of Synthetic Rubber:—The production of synthetic rubber to take the place of natural one is scheduled to start from the current year. The company to embark upon this phenomenal task is Yokkaichi Factory of Japan Synthetic Rubber Co. This factory is actually the second synthetic rubber factory in Japan after that of Japan Geon's. The former's strength lies in the mass production of ordinary synthetic rubber SBR instead of highly specialized items manufactured by the latter.

Tokyo Plan:—As a step toward further activation of Japan's capital goods exports to the Southeast Asian countries, a so-called Tokyo Plan is scheduled to start from the fiscal 1960. Under the guidance of the Ministry of International Trade & Industry, the plan will become a central training ground for industrial students and technicians from the Southeast Asian countries. The MITI authorities are scheduled to invite for the fiscal 1960 some 90 such persons from Japan's Asian neighbors. From the minimum of 50% to the maximum of 75% of the total expenses needed for the 6-months' stay here (including those for air transportation and training) will be met by the Ministry. MITI hopes further to increase the number of invitations to 200 in the fiscal 1961. The hope is that the Plan will provide a strong stimulant to Japan's plant and machinery exports to the Southeast Asian countries.

Freight Transportation:—According to the Japanese National Railways, the total freights handled in December, 1959 by the corporation stood at 16,345,700 tons—the greatest handling volume for any single month period in the corporation's history. The record so far had been 15,580,000 tons achieved in November, 1957.

Great Headway in Electronics Industry:—It was in 1958 that the Ministry of International Trade & Industry formulated the 5-year plan to promote Japan's electronics industry. The actual progress in this industry, however, proved to be so great (the exports during the year of 1959—¥40 billion—already eclipsed the mark set for 1962) that the Ministry of International Trade & Industry decided to revise the outmoded plan. Especially spectacular was the advance made in such items as transistors, transistor radios, televisions and tape-recorders.

Greatest Rice Crop in 1959: According to the Ministry of Agriculture & Forestry, the estimated total rice crop for 1959 stood at 1,501,000 tons (83,341,000 koku)—the highest mark ever achieved in the country's history. The figure is 116,000 tons more than the achievement in 1955, the past peak.

Agricultural Income Hit Highest Mark:—Japan's total agricultural production in terms of value stood at about ¥1,588 billion—4.5% more than the previous year. The total income from agricultural production (total production minus expenses), on the other hand, is estimated to be around ¥1,068 billion—5.5% more than the previous achievement. Both figures represent highest marks in Japan's history—even greater than those in the previous peak year of 1955.

Booming Land Prices: Land prices, which led the steadily rising commodity prices, are expected to be in the No. 1 position again for 1960. All city land prices throughout the country have been rising by about 20–30% every year for the past several years, and most land experts predict a similar tendency in the current year. According to the Ministry of Construction, the land needed for housing projects in the fiscal 1959 stands at about 97,020,000 sq.m. In the fiscal 1960, this figure is expected to grow by about 10% to 107,910,000 sq.m. It is only natural that the land prices should skyrocket when the needed land is extremely limited.

Glimpses of Japanese Culture

The State of the Japanese Film

By Donald Richie

THE Japanese film industry, one of the last to attain an individuality, may well be one of the last to survive. It creates more pictures than any other in the world and it, alone of all national film industries, has managed to retain its home audience, those thousands who regularly go to the movies. It is upon this economic fact that the yet healthy economy of the Japanese film industry continues to rest.

What has happened in other countries is well known. The competition of television and a method of bookkeeping which credits losses of one film to the cost of the next has all but ruined many major companies. Some now lease their studios to TV companies, others lend independent films their name, prestige, and distribution facilities.

Japan remains in a unique and somewhat anomalous position. The industry (in main, six major companies) is responsible for all of the released feature films. It has no competition since those few independent films produced must contract for theaters through the big six. It somewhat resembles the citadel that was Hollywood; it is an industry which not only produces but also controls film entertainment.

Any such complete monopoly is decidedly a mixed blessing. It means that each of the companies must produce at least 104 films a year, a new double-bill for each of the weeks of the year; it also means that the companies will attempt to pre-sell each feature and will be careful to avoid any subject or treatment original enough to keep away a majority audience.

This is a formula for financial success and, according to the recently released 1959 January-June statistics, the Japanese industry will have no problems this year. Up to June, 278 films were released; the total for 1958 was 504. Thus the 1959 total, once all the figures are in, will be even larger. In addition, the number of exported films is larger. Last year 1,161 prints of Japanese films were sent abroad; up to June of this year, the number is 625, already more than half.

Too, in Japan the home audience is still the economic staple, in contradistinction to, say, America where companies rely heavily on world-market earnings. Movies remain the major entertainment in a country where home television is still a minor rarity, and with the average admission price only slightly more than that of a package of cigarettes there is no problem in getting people into the theaters.

The problem is to get them to come in large numbers and to get them into first-run theaters where prices are a bit higher. This naturally results in films which the producers consider especially made to fit the demands of their consumers. In this the Japanese industry is no different from any other.

It is different, however, in that the six companies had more or less successfully divided the audience, each appealing to a single segment, each tailoring its product to satisfy the real or supposed needs of its spectators. This artificial marketing would be perhaps unsuccessful in any country but Japan. Here, however, the audience remains faithful. This "rationalization" of the industry, and the adaption of mass-production methods, has been maintaining for the past half-decade. This year, however, there are signs that the companies have grown larger than their supposed audience-segment, that they want more than they had originally indicated. Originally, each company appealed to a special audience, and this gave each

company's films their especial flavor; recently, the flavor has been less and less appreciable as each company contends for a greater share of the market.

Of the six major Japanese film companies, Toei makes the most films and the most money. It is also the youngest and owes its success to its reintroduction of the double-bill and to the fact that from the first it catered to a neglected audience-segment, the very young and the uneducated. Traditionally it has made period-programmers and detective melodramas. At the same time it has sporadically created "prestige" films, notably several by Director Tadashi Imai: *Rice (Kome)*, 1957 and *A Story of Pure Love (Junnai Monogatari)*, 1958). This year, however, it opened a new studio which was to be used for the creation of "contemporary-life" films, ones which—if Toei follows the pattern it itself has created—will be slightly left-wing and about the young working classes, its own patrons. That Toei, a company which incorporates many of the qualities of 19th-century capitalism, should lend itself to left-wing "message" films is just one of the many singularities within the Japanese motion picture industry.

Shintocho, now weakest of the six, exists almost entirely on sex, horror, and such right-wing and nationalistic exercises as its series of Emperor Meiji films. Its audience has been the traditionally-minded and the old. But just as Toei has now shifted its attention to the middle-class educated with its modern problem films, so Shintocho more and more invades the childrens' market.



Mikkai (*The Assignment*): Directed by Yasushi Nakahira (Nikatsu)

Nikkatsu too appeals to the young, particularly the adolescent. The company owns Yujiro Ishihara, for some years now the teen-agers' idol, and—this being so far financially sufficient—has avoided a flavor of its own. This elasticity allows its directors a bit more freedom than that allowed those of Toei and Shintocho. The brilliant young Yasushi Nakahara, for example, is thus allowed some experimentation (though his efforts must usually play bottom half on a Yujiro double-bill) and one of year's most interesting and well-made films was his *Mikkai (The Assignment)*.



Ohayo (Good Morning): Directed by Y. Ozu (Shochiku)

Shochiku is traditionally the most traditional of all companies. It celebrates the Japanese way, occasionally glorifies the family system, and makes films which appeal to the older generation. It has in Yasujiro Ozu and Keisuke Kinoshita two directors who feel much the same way as does President Shiro Kido and who are, moreover, two of the best in Japan. Recently, however, Shochiku has begun to break away from the pattern it created for itself. It has made more and "high-teen" pictures to appeal to the youngsters, and at the same time has allowed directors like Masaki Kobayashi a great deal of freedom. One of the results is the multi-part *The Human Condition* (*Ningen no Joken*, 1958-60) which, because of its honest portrayal of conditions in wartime Manchuria, has become the most controversial film of the year.

Toho has traditionally been strong in directors and has usually let them have their own ways. This has resulted in films which were worth seeing and appealed to the educated young adults. With directors like Akira Kurosawa, Mikio Naruse, and Shiro Toyoda, it has produced some of the finest films ever made in Japan. This year, however, has seen a marked change of policy. Perhaps due to financial success abroad, it has expanded a program of monster and science-fiction films. At the same time (and again perhaps noticing like successes abroad) it has entered the field of the epic with the very long and very costly *Nihon no Tanjo* (*The Birth of Japan*), called *The Three Treasures* for showings abroad. While all of these films will doubtless make money, one does not associate with them the quality which one has long associated with Toho itself. Yet, obviously, Toho is attempting to enlarge its audience. A film like *Nihon no Tanjo* is plainly intended for every man, woman, and child in Japan.

Daiei, which in recent years seemed to be aiming mainly at the teen-age market, has this year begun to recapture some of the prestige it had at the beginning of the decade when it produced such films as *Rashomon* and *Ugetsu*. With young directors like Yasuzo Masumura, first-rank directors like Kozaburo Yoshimura, other like Kon Ichikawa just now reaching their prime, good films are the result. Too, President Masaichi Nagata, though certainly no less a businessman than any other, has always stood somewhat in awe of creativity and, unlike some others in the business, has never been willing to subject first-rank directors to nothing but audience-winning hack-work. Too, he and his company were among the first to realize that good films win foreign prizes and that foreign prizes mean box-office.

This year Daiei allowed Kon Ichikawa to direct both *Kagi* (*The Key*) and *Nobi* (*Fires on the Plain*), two films which are

anything but populace-pleasers but which may well become foreign prize-winners. In addition, Daiei borrowed Shochiku's Ozu to create the charming *Ukigusa* (*Duckweed*).

Yet, despite such signs of movement within the rationalization-program, the fact remains that such a program, while it may make for good box-office, does not make for good films. Five years ago, the Japanese industry was responsible for over a dozen pictures which any company in the world would have been proud to have made. This year one cannot remember even five which could be compared.

This is but one of the reasons for believing that a healthy industry does not automatically create worthwhile films. America is an example. The American industry is ailing, is wasting away, yet American films have never been better. Independent companies are flourishing, new talent is entering the once-closed gates, films are sold on worth alone. The collapse of the industry has saved the American film.

Whether this will, or can happen in Japan is problematical. Television has already done some damage and may be expected to do more; and though the Japanese industry does not tie itself up in its own bookkeeping, it does limit itself by its very conception of what its audience wants. If it makes a mistake—and quite a few were made this year—then it pays for it.

It is this audience which—astonishingly faithful by any Western standard—in the last analysis creates the Japanese film. Its patronage can make a picture, or the lack of it can break it. Though this audience is easy prey to splash advertising and is, in essence, no more discriminating than any other, it is a relatively cautious one. Films cost money to see, even though it be only the price of a package of cigarettes, and the average Japanese film-goer tends to pick and choose.



Kagi (The Key): Directed by Kon Ichikawa (Daiei)

Good films eventually make more money than any other kind and honesty of presentation is a policy which actually pays in Japan. This the Japanese industry knew very well five years ago and this it has apparently forgotten. While it may not drive its audience away (which is what the American industry unwittingly did) and into the waiting arms of television, it will just as certainly not retain an audience which it has captured through catering, if only because audiences mature.

As of now the Japanese film industry would seem to have the best chance of survival of any film industry. Yet, this year's products may also be interpreted as indications of the various ways in which the various companies making up this industry have sought to consolidate a position which they are perhaps beginning to feel shaken.

(Donald Richie, film critic for *The Japan Times*, is also co-author of *The Japanese Film: Art and Industry*.)

Foreign Trade

Policy Fixed for Free Trade

In addition to a series of measures taken before to liberalize foreign trade and exchange, the Cabinet meeting on December 22, 1959, formally decided that overall concrete measures for free trade should be worked out with the Economic Planning Agency as a central organ. Five days later, the Conference of Economic Ministers made a final decision for relaxation of import restrictions on textile and other materials. At its first session held on January 12, this year, the Conference of Cabinet Ministers for Liberalization of Foreign Trade and Exchange not only resolved to remove the restriction upon imports of six items from the United States but also adopted a keynote policy for freer transactions. Details of this ministerial decision are:

1) The liberalization of foreign trade and exchange shall be stepped up to attain the prearranged annual goal in line with the proper adjustment of related measures at home and abroad, and concrete steps shall be worked out by May, 1960.

2) Relaxation of imports from the dollar area: i.e. scrap iron, beef tallow and lard (except refined lard which will be liberalized after the possible revision of the Tariff Law) shall be put on the AA (automatic approval) list; raw hides, as soon as possible in the April-September 1960 period; and pig iron and soybeans, in October, this year.

3) Including wool waste and coffee beans, about 300 import items shall be transferred from the FA (fund allocation) to the AA list as from April, 1960; and some 150 import items (chemicals, china-ware, etc.) shall be put under the automatic fund allocation system at the same time (see this column in the December 1959 issue).

4) Measures shall be put into practice as soon as possible to create a new system for non-resident foreign persons' yen accounts; to alleviate the restrictions on the official concentration of foreign funds, overseas travel, remittance to foreign countries, etc.; and to ease off the restrictions on foreigners' holdings of Japanese shares.

Complete Liberalization in 3 Years

Explaining these measures, President Wataro Kanno of the Economic Planning Agency announced, "At the ministerial meeting, I myself advocated that we should be determined to complete the desired liberalization in three years, and other

Ministers agreed with me. If it should take three years for the Government to carry out its policy, however, private circles would hesitate to speed up their preparations for free trade. Thus, no date is indicated in the formal statement."

Japan's control of foreign trade and exchange is not at all a postwar policy. It was as early as in 1932 that a law was first promulgated for prevention of capital efflux. In the following year, another legislation was put into practice for regimentation of foreign exchange. In 1937, two wartime measures were enacted: namely, (1) the Foreign Trade Adjustment Law and (2) the Law for Provisional Measures related to Imports and Exports. Then, many steps were taken one after another for what might be called a "closed economy".

The enforcement of the afore-mentioned free trade policy, therefore, is meant to reorganized the "closed economy" in the past two decades into a free economic system in a matter of three years (1960-62). Frankly speaking, this is something easy to speak of but very difficult to accomplish. Some interested circles go so far as to call this worldwide trend for freer trade "the Second Black Ship", referring to the arrival in 1853 of Commodore Perry's boats. Others fear that reckless liberalization will usher in serious confusion and dislocation as the restoration of the gold standard did in 1930. Such apprehension is not groundless as Japan has managed to carry on somehow or other her "closed economy" for a very long time.

After all, the ministerial decision of January 12 can be said to be Japan's "Declaration of Liberalization". But it is not since the turn of the current year that steps have been stepped up in this direction. In a wider sense of the term, since 1949 or the year when the unitary yen-dollar rate was fixed at ¥360 and private trade reopened after the war's termination, Japan has been pursuing consistently the policy of easing off the rigid control of foreign trade and exchange maintained since the wartime years. Especially since 1959, measures have been pushed more than ever along this line for liberalization of international trade (imports in particular) and foreign exchange (including capital transactions).

Ratio of Free Imports Upped

Measures taken for free imports since last year are summarized as follows:

1) Out of the 617 items on the AA

list, 231 items had been under restrictions, if bought from the United States, but on January 30, 1959, imports therefrom of most of these items were set free, leaving only 13 items (including scrap iron and soybeans) on the anti-dollar restriction list. But no encouraging results were attained because major items, scrap iron and soybeans in particular, were still under anti-dollar restrictions.

2) In the foreign exchange budget for the first half of fiscal 1959, three goods (old boats for scrapping, hops and cotton yarn waste) on the anti-dollar restriction list were liberalized; and 26 items were transferred from the FA to the AA system. As these items were all much less important than those still on the ban, the ratio of free imports (i.e. the ratio of AA imports against the total foreign exchange budget for imports) stood at not more than 33%.

3) In the foreign exchange budget for the second half of fiscal 1959, 150 items more were added to the AA list. But the free import ratio dropped slightly to about 32% as the total budget was boosted substantially. It must be noted, however, that the expansion of the import budget to the postwar record figure brought about good effects on the desired liberalization of import trade.

4) On November 11, the Ministry of International Trade and Industry announced a set of liberalization measures, probably the bolder ones since the convertibility of European currencies was restored (see this column in the December 1959 issue). They are: (a) four items more (lauan, copper alloy scrap, plaster of Paris and abaca) on the anti-dollar list were put on the AA list, effective as from January, 1960, leaving only six items on the ban; (b) 80 items were newly added to the AA list, effective as from January, 1960, by decreasing the list of items covered in the special foreign fund allocation system which was severely criticized at the GATT meeting; (c) a new automatic or limitless fund allocation system was created, effective as from January, this year, for 48 machinery items and 34 consumer goods; (d) some items for which fund allotments had been made only to those countries under bilateral trade agreements with Japan were transferred to the global AA list (e.g. whisky, raisins, etc.); and (e) import limits were newly set for fountain-pens, etc. thus far on the embargo.

(5) On December 26, 1959, the Conference of Economic Ministers decided to place two important items, or cotton and wool, on the AA list, effective as from

April, 1960, and to take the same policy as soon as possible for chemical textile materials (pulp, caustic soda, etc.). On the same day, the Ministry of International Trade and Industry announced to add 12 items more (cameras, electric fans, electric stoves, etc.) on the AA list, effective as from January, 1960.

6) In line with the January 12 Declaration of Liberalization, the Ministry of International Trade and Industry made public the following steps for alleviation of import restrictions: i.e. (a) 291 items (wool waste, coffee beans, nickel ore, etc.) shall be put on the AA list as from April, 1960; (b) 142 items (some rubber processing chemicals, some chemicals for leather tanning, old clothes, some china-ware, etc.) shall be placed under the automatic fund allocation system as from April, this year; (c) steps shall be taken as soon as possible for complete removal of the anti-dollar import restriction (six items); and (d) measures shall be pushed more than ever for relaxation of restrictions on consumer goods imports although restrictions will be retained on items coming from those countries which still impose discriminations upon Japanese goods.

As the result of these liberalization measures, MITI authorities estimate, the free import ratio will curve up to nearly 42% in April, this year, and to as high as 70% in April, 1961, from the low level of 30% or so. This clearly indicates that Japan is firmly determined to liberalize import trade by all means in a matter of one year or so.

Savants Propose More Bolder Steps

The Sogo Seisaku Kenkyu Kai (Overall Policy Research Association), organized by Professor Hiromi Arisawa and five other scholars, on December 16, 1959, announced its proposal, outlining a three-stage policy for liberalization of import trade, more drastic in nature than the Government's Declaration of Liberalization. It is recommended that import restrictions shall be abolished completely by the end of fiscal 1963, except upon some agricultural products, along the following schedule:

First stage (up to April 30, 1960): not only six items on the anti-dollar list but also raw cotton, waste cotton, raw wool, waste wool, salt, some machinery items (bearings, textile machines, etc.), pot ash, some non-ferrous metals (zinc, etc.) and most sundry goods shall be placed on the AA list.

Second stage (up to the end of 1961): petroleum, pulp, copper and other non-ferrous metals, barley, feedstuffs, sundry goods, and machinery items (prime movers, mining and construction machines, heavy electric machines, etc.) shall be liberalized,

on the one hand, and on the other, import duties upon these items shall be raised properly.

Third stage (up to March 31, 1964): coal, rice, sugar and all machines still under restrictions shall be set free, thereby to abolish completely the foreign exchange budget system. But foreign funds will be allocated for those items left on the restriction list, and duties will be upped, if necessary.

This private proposal is to be carried out in four years, while on the other hand the Government's plan is to attain complete liberalization in three years. But the former is much more comprehensive and thoroughgoing than the latter: i.e. even cotton and wool are to be liberalized by April, this year, whereas under the official schedule they will be put on the AA list in 1961. It is only one half of the items listed on the first stage that will be freed somehow or other in the near future by the Government's measures.

Steps Limited for Free Exchange

Steps taken for free exchange since last year are more limited and less thoroughgoing. They are:

1) In compiling the foreign exchange budget for the first half of fiscal 1959, the Government increased the number of designated currencies from 9 to 14 and the number of items importable by usance bills from 27 to 61.

2) For liberalization of yen-dollar exchange, two measures were put into practice on September 12: i.e. (a) allowing foreign exchange banks to sell spot exchange from and sell it to customers at the free rates 0.5% higher or lower than the ¥360 standard, and (b) setting completely free the forward exchange rates (the Government's forward exchange transactions suspended).

What measures then will be taken in the future for exchange liberalization? The Sogo Seisaku Kenkyu Kai has put forth the following three-stage steps:

First stage: (1) The Government shall carry out operations for foreign exchange equalization in view of financial conditions at home and abroad by widening the range of yen-dollar exchange fluctuations (1% higher or lower than the standard rate); (2) yen exchange shall be restored, and yen transfer accounts owned by non-resident foreigners shall be exchanged freely; and (3) restrictions on invisible trade transactions and foreign capital induction shall be relaxed. In the meantime, the present control regulations shall be simplified.

Second stage: (1) Complete freedom in making overseas investments, (2) almost free induction of foreign capital and free remittance of capital and profit (except

such cases as will bring about grave bearings upon Japanese economy), (3) complete abolition of the restrictions on invisible trade dealings, and (4) allowing foreign banks to open freely branches and offices in Japan (after the liberalization of capital transactions).

New Steps Seen for Free Exchange

Under the present system, trading companies shall sell their foreign funds available from export business to foreign exchange banks within 10 days, on the one hand, and, on the other, buy foreign funds from foreign exchange banks for settlement of import transactions. Interested circles now call for proper revision of this system so that traders may be allowed to hold some foreign funds for specified payments and for accommodations to their own overseas branches.

Another important problem is the restoration of yen exchange. Most of the advanced countries now are using their own currencies as a medium for foreign exchange. Prior to the war, 40-50% of Japan's international transactions was settled through yen exchange. Yen exchange, therefore, is not at all a new fantastic proposition, but it is hardly possible to put it into practice at one stroke, because foreign exchange has long been under official control. As the first step in this direction, the yen transfer account system will be created in the interest of non-resident foreigners.

Indications are increasing that the present restrictions on foreign capital investments in this country will be mollified more than ever. In July, 1959, the Foreign Capital Law and the Foreign Exchange and Foreign Trade Control Law were revised so that the authorization standards for capital induction and remittance might be eased off. As a result, the number of technical cooperation contracts signed last year increased by 40% to 979 from 1958's 92. American investors, on the other hand, are much interested in investments in Japan.

In this light, authorities concerned have reportedly been studying the ways and means of relaxing the restrictions on foreign capital. At the Cabinet meeting held on January 5, it is reported, International Trade and Industry Minister Ikeda said, "In revising the foreign exchange control regulations, I think, it would be advisable to allow foreign investors to hold Japanese shares within some limits and to remit dividend revenues freely."

Such frank words from an influential person like Mr. Ikeda might have been a bolt from the blue even to the authorities concerned, but time will come earlier than imagined when such a step will be taken, for a clamor for it has been getting louder among interested circles at home and in the United States.

Labor

The End of Struggle for Zentei:—Two of the most important occurrences on the labor scene from the end of 1959 through the start of 1960 were: 1) the end of the Zentei (All Japan Communication Employees Union) struggle which lasted for two long years; and 2) the end of the struggle at the Shufu-to-Seikatsu (Wife & Life) Magazine Company—the struggle generally considered to be one of the most representative labor dispute in small businesses.

When the meeting between the former Labor Minister T. Kuraishi and the representatives of labor ended in disagreement, and the latter ordered a strike tactic which reduced the union's work volume by 30%, it was generally feared that the struggle was in for another long stretch and possible violence. Delivery of New Year's greeting cards—the main target of the union's strike tactic from the start—was expected to be put off until the middle—and possible the end—of January. Mr. K. Fujibayashi, chairman of the Government Enterprise & Public Corporation Labor Mediation Board, however, embark upon the mediation offer on the same day and on the following day, came up with a mediation plan which proved to be acceptable to both labor and management. On December 22, the union and the authorities agreed to end their long-winded dispute lasting more than 20 months.

The highlights of the Fujibayashi mediation plan were:—1) that the union would replace the purged leaders with the new and tentative officials; and 2) that the authorities would agree to negotiate with the union headed by the new representatives.

With the acceptance of the mediation plan, both parties immediately started negotiations on knotty matters. And on the following day, an agreement was finally reached for the special overtime delivery schedule from the year end through the dawn of the new year. The union, therefore, immediately contacted its local bodies and called off the "work curtailment" tactics which had been proving such a powerful weapon on the labor's side.

The highlights of the agreement were:—1) the union would order its local bodies to conclude separate agreements with the local authorities; 2) a special committee would be formed for handling non-regular employees; and 3) as for the so far delayed action on the ¥250 pay raise, the authorities would help labor get the amount

through the good offices of Central Labor Problem Mediation Board. With the normalization of relations between labor and the Communications Ministry, the long-delayed ratification of the ILO Convention would most probably be approved in the coming ordinary session of the Diet. In line with the ratification of the ILO Convention, the elimination of the Item 3, Article 4 (which regulates that no persons who do not belong to a certain government enterprise or public corporation can not be elected to the offices of the union in the said enterprise or corporation) of the Government Enterprises & Public Corporation Employees Labor Law and similar articles in the local laws would most certainly be effected. Thus, one of the most characteristic features of Japan's trade unions—that the unions are invariable intra-enterprises as contrasted with their intra-industrial counterparts in the Western countries—would finally bow out of the scene.

Disputes in Small Businesses Getting Serious:—The last month of the year 1959 also saw a solution to another important labor dispute—that in the Shufu-to-Seikatsu (Wife & Life) Magazine Co. The dispute at this small Kanda, Tokyo publishing company had been one of the longest and bitterest in Japan's labor history. For 318 long days (since February 12, 1959), the struggle between the labor and management raged with all its furies—often erupting in violence and intervened by police. Also involved were such special features as the mass refusals by writers to the journal and the formation of the non-purchase league among the former readers—all in the hope of supporting the striking union. The struggle had every ingredient in itself to make it one of the most representative of labor struggles in Japan's small businesses.

Never before had labor disputes in small businesses invaded the front pages of newspapers and become a talk-of-the-town in such a wild fashion. Physical violence erupted between the unionists and the non-unionists in rapid succession and head-on clashes between labor and police or the right-wing thugs were of a daily occurrence. The strike had finally become a prominent "social problem." In the prewar days, the biggest and almost sole problem for a small business management was how to make both ends meet without catching the attention of the police. In the post-war period, and especially in the past few years, labor

problems have jumped into the foreground making the money problem only secondary.

It would be false, however, to say that the number of disputes in small businesses increased by leaps and bounds in 1959 in comparison with the previous year. According to the Ministry of Labor, the total number of disputes actually declined from 912 in 1958 to 886 in 1959. The major reason, therefore, for the coming into fore of the problem was the intensity and longevity of the disputes rather than the number.

The basic reason for the strange violence and longevity of struggles in the small businesses, in its turn, is the general inexperience of both labor and management. It is only too common to find, among small business representatives, those who have no understanding whatsoever of their employees. Among the unionists in small businesses, on the other hand, there are a great number of those who think that they can push management around simply because they have formed a trade union. These shortcomings in both parties are apt to make their first disputes bitter quagmires of bloody violence.

Added to this fuel is the antagonism between *Sohyo* and *Nikkeiren* (Federation of Employers Associations), respective champions for labor and management. In the middle of the way, therefore, the original dispute points are liable to be swamped in the sentimental and ideological clashes between the master organs.

Anyway, management of small and medium sized industries is now in a position that it can never shy away from its confrontation with its employees.

No. of Unionists Highest in Post-war:—The Ministry of Labor published late in 1959 its survey of Japan's trade union activities. This survey conducted every year since 1947 in order to gather informations about the country's labor activities by prefectures revealed the following features. 1) The actual number of trade union members is the highest in post-war period, while the unionization rate is slightly less than the previous year; 2) No discernible changes have been made during the one-year period in the balance of power among such giant countrywide organizations as *Sohyo* and *Zenro*. As of the end of June, 1959, the total number of unionists stood at 7,080,000, while the number of unions stood at 39,303. These figures represent growths of about 200,000 (2.9%) in members and 1,480 (3.9%) in union numbers. On the other hand, the estimated unionization rate stood at 34.5% in comparison with 35.2% registered in 1958. The cardinal reason for this drop in spite of the actual increase in union members is the active employment in small and medium sized industries where the unionization rate is still very slow.

Commodity Market

Cotton Yarn:—Cotton yarn prices were weak throughout January with the Osaka quotation (30s: current-month delivery), which started the month at ¥206.9 per lb., diving below the ¥200.00 mark to register ¥192.1 at the end of the month for the first time since July, 1959. Chiefly responsible for the dull market was the Government's policy for trade liberalization. Under the liberalization program, the imports of principal fibrous materials like raw cotton and wool will be shifted to the automatic approval system from the fund allocation system now in application as of April, 1961. Another damper was the Government's decision to alleviate the production curtailment frame for cotton yarn. The proposed shifting to the automatic approval system is bound to offer several dampers including: 1) The import prices of raw cotton will become lower to the eventual decline of the earning position; and 2) The race for larger yarn production will become intensified through the unrestricted purchases of raw materials. On the other hand, the monthly production curtailment of cotton yarn, which stood at 30.0% up until June, 1959, was reduced piecemeal later to 15.0% as of January, this year. As a result, the stocks of cotton goods totalled 505,194 bales (in terms of yarn) as of the end of November, or 11,674 bales larger than a month ago, and this tendency is likely to continue for some time to come. Another noteworthy damper has been the standstill of cotton goods exports, contracts and shipments inclusive. Export shipments of cotton fabrics in December, 1959 amounted to 125,330,000 square metres, an increase of 41.2% over November, and the total export shipments for calendar 1959 (January through December) aggregated 1,055,439,000 metres, or 1.4% larger than a year ago. Thus, the export shipments so far have fared well. Export contracts for future deliveries, however, are not so encouraging. With the outstanding balance of export contracts for future deliveries of cotton fabrics totalling at about 473,000,000 square yards as of the end of November, 1959, November-December deliveries accounted for 213,000,000 square yards, with the shipments in later months steadily tapering (estimated at 72,000,000 square yards in April through June, and 11,000,000 square yards in July through September). It is thus noted that the exports of cotton fabrics in later months of 1960 are due to decline sharply.

Woollen Yarn:—Woollen yarn was equally dull in December. With the quotation (Nagoya: current-month delivery) standing at ¥1,740 per kilogram at the start of December, the price continued falling and hit ¥1,435 at the close of the month, or some ¥378 lower than the August (1959) high at ¥1,813 and coming close to the average export price of ¥1,380-1,400. Responsible for the drastic fall of the prices of woollen yarns are: 1) The Government's decision to shift the import of raw wool to the automatic approval system (effective as of April, 1961), and the alleviation of the production curtailment. The production of woollen yarns in December, 1959 totalled 4,728 tons, up 2.1% over November, and 39.8% larger than a year ago. As a result, the inventories in major producing centres as of the end of December swelled 642 tons over a month ago to 3,708 tons, with a further increase to over 4,000 tons likely by the end of January, 1960. The exports of woollen fabrics in December, 1959 amounted to 4,119,000 square metres, registering a sharp gain of 49.1% over the November shipments. As a result, the total exports of woollen fabrics in calendar 1959 came to aggregate 28,483,000 square metres, or up 20.7% over the calendar 1958 total, chiefly due to the active sales to the United States.

Raw Silk:—Raw silk transactions were partially suspended throughout the middle part of December because of the bungling of the silk price policy by the Government. In late October, the Government submitted to the Diet the revision bill of the Raw Silk Price Stabilization Law with the object of curbing the soaring of silk prices due to supply shortages. The revision bill aimed at legalizing the lowering of the sales price of about 46,500 bales of raw silk in governmental possession from ¥230,000 per bale to ¥180,000 in future releases. This step by the Government was bitterly opposed by silk circles, and the bill was virtually deadlocked. With the passage of the revision bill thus considered difficult, the domestic silk quotations began to soar from about mid-November. In early December, the Government changed the policy and declared that it would not adhere to its original stand. The silk prices, in the interim, kept on increasing and rose to the ¥200,000 mark per bale, the highest in two years, on Decem-

ber 10, and the silk exchange was forced to close for the period from December 10 through 24. With the revision bill eventually approved at the Diet on December 26, however, the exchange was reopened on December 25. The revision bill, partially amended when it was passed by the Diet, provided for the Government's release of raw silk in its holdings when the per-bale price happens to continue at over ¥195,000 (¥3,250 per kg.) for more than a week, thus frustrating the Government's policy to make the release at ¥140,000-180,000 per bale. The stiff tone of silk quotations, although partially attributable to the confusion of the Government's silk price policy, was also due to the active domestic demand and brisk exports. According to the Ministry of Agriculture & Forestry, the exports of raw silk in calendar 1959 totalled 89,500 bales, the largest since 1950 (94,600 bales) and up 92.0% over calendar 1958, while the domestic deliveries also increased 35.0% over 1958 to 275,700 bales, although the production in 1959 at 318,000 bales was a decrease of 5.0% from 1958.

Chemical Fibres:—The rayon filament yarn prices were soft throughout December. The Osaka quotation (current-month delivery), which started December at ¥194.5 per 0.5 kilogram, declined to ¥175.5 by the end of the month through successive dips, to hit a new low since the opening of the exchange. Meanwhile, the inventories of rayon filament yarns in hands of spinners as of the end of December stood at 3,247 tons, decreasing 191 tons or 5.6% from a month ago. In comparison with the slow hike of domestic demands, however, the exports of rayon filament yarns continued brisk in 1959. According to customs statistics, the export shipments of rayon filament yarns in calendar 1959 totalled 12,715 tons, up 22.3% over calendar 1958 while the exports of rayon filament fabrics, on the other hand, dived 21.1% from a year ago to 238,013,000 square metres.

Equally discouraging was the movement of spun rayon yarns in December. The Osaka quotation which started December at ¥145.2 per lb., dipped to ¥119.5 by the end of the month. This was the first time that the spun rayon yarn price dropped below the ¥120.0 mark since March, 1959. Responsible for the dullness was the trade liberalization policy as well as the weakening of the cotton yarn prices. The exports of spun rayon yarns in calendar 1959 totalled 17,435 tons, diving 10.8% from 1958 while the exports of spun rayon fabrics also decreased 20.3% to 577,516,000 square metres, chiefly because of the slip of sales to the South Africa market. Meanwhile, the production of chemical fibres in calendar 1959 totalled 465,573 tons, registering a sharp increase of 25.0% over the 1958 output, according to the Japan Chemical Fibres Association.

Production of Chemical Fibres in Calendar 1959

(In metric tons)

	Calendar 1959	Increases Compared with 1958 (%)
Rayon filament yarn	76,088	32.0
Cupra ammonium yarn	11,817	43.0
Rayon staple	265,837	10.9
Acetate yarn	8,428	71.3
Acetate staple	2,903	50.3
High-tenacity rayon	19,721	45.8
Vinylon	16,580	29.0
Nylon	31,045	34.1
Vinyliden	2,913	11.5
Acrylonitriles	12,483	353.1
Polyvinyl chloride	3,515	76.6
Tetoron	13,918	362.1
Polyethylene	324	—
Total	465,573	25.0

Source: Japan Chemical Fibres Association.

Iron & Steel:—The production of hot-rolled ordinary steel products (exclusive of rerolled items) in calendar 1959 totalled 11,640,000 tons, registering sharp gain of 33.0% over the 1958 output of 8,760,000 tons. The production is estimated to mark a more striking gain in terms of fiscal 1959 (which ends in March, 1960), as the output in the fiscal year is estimated to reach 9,380,000 tons for blast furnace pig iron (up 29.5% over fiscal 1958), 18,020,000 tons for crude steel (up 41.5%), and 12,780,000 tons for hot-rolled ordinary steel products (up 43.0%). Steel prices, on the other hand, remained comparatively stable throughout 1959 with the "official" price of small shape standing still at ¥42,000 per ton. According to the Ministry of International Trade & Industry, the production in fiscal 1960 (starting April) is estimated to reach 11,100,000 tons for blast furnace pig iron (up 18.5% over the estimated fiscal 1959 output), 19,670,000 tons for crude steel (up 9.0%), and 14,000,000 tons for hot-rolled ordinary steel products (up 10.0%).

Key to Japanese Firms

Chemical Fibres

Japan's textile industry (cotton, wool and chemical fiber branches inclusive) was subjected to a wave of acute depression in 1959 through 1958. In order to cope with the adverse situation, a comprehensive readjustment program was enforced in 1958 through early 1959 for drastic production cutbacks, equipment restrictions and inventory adjustments. Parallel with the swift recovery of business in general, however, the textile industry began to make an energetic rally, as the domestic demands tended upward and export shipments began to grow. In these circumstances, the production curtailment rates have been steadily slackened. Under the new curtailment program, the production cutback rates starting in January, 1960 have been set at 15% for cotton spinning (from the maximum of 30%), 27% for wool spinning (from 30%), 25% for rayon filament (from 49%), 20% for rayon staple (from 44%), and 28% for spun rayon yarn (from 44%).

In the process of depression, one of the noteworthy trends was the continued growth of synthetic fibres of the chemical fibre group. In these few years, sharp increases have been noted in the production of vinylon, nylon, polyvinyl chloride items and polyvinylidene chloride items. Also on the hike have been new comers such as those belonging to the polypropylene and polyureal groups. Thus, in contrast to rayon filament and rayon staple which are still placed under production restrictions, positive plans are being mapped out one after another for further increasing the production of synthetic fibres. In line with the policy of trade liberalization, imports of major fibrous materials such as cotton and wool will be generously liberalized, and, as result, the domestic prices of cotton and woolen goods are bound to slip to the eventual intensification of competitions with chemical fibres. Some of leading manufacturers of chemical fibres in this country are Toyo Rayon, Asahi Kasei, Teikoku Rayon, Kurashiki Rayon, Nippon Rayon, Mitsubishi Rayon and Toho Rayon. In addition to those specialists, major cotton spinners are engaged in the production of rayon staple. Among them are Toyo Spinning, Kanegafuchi Spinning, Dai Nippon Spinning, Daiwa Spinning, Nitto Spinning, Fuji Spinning, Nisshin Spinning, and Ohmi Kenshi. Some of the companies in the latter group are also manufacturing synthetic fibres. Also engaged in the production of synthetic fibres are chemical firms like Shin Nihon Chisso Hiryo and Dai nippon Celluloid, while still other companies are planning to embark on new synthetic items.

Toyo Rayon

Founded in 1926 as a subsidiary of Mitsui Bussan K. K., Toyo Rayon started

manufacturing rayon filament in 1927 with rayon staple added to the list of its specialties in 1935. Later, the company advanced to the manufacture of spun rayon yarn, spun rayon fabrics and general processing of rayon filament and spun rayon products. Under the wartime industrial adjustment program, the company was compelled to shift to the production of munitions right after the outbreak of the Pacific War, but was quick to return to the original lines after the war's termination with the manufacture of the polyamide group of synthetic fibres started in 1951. It is recalled in this connection that the company started basic studies of nylon as early as in 1938, although the studies were temporarily suspended during the war. Soon after the start of production of polyamide fibres in 1951, the company concluded a technical tieup contract with E. I. du Pont de Nemours & Co. (U.S.). Later, the company with Teikoku Rayon induced the technical process for manufacturing a new synthetic fibre under the name of (a synthetic fibre of the polyester group) through a technical tieup with Imperial Chemical Corporation (Britain) with the production on an industrial scale started in 1958. With Nylon and Terylene enjoying brisk sales, the company's business results have been making a notable improvement. In the half-year term ending September, 1959, the company's sales totalled ¥37,459 million, including ¥24,550 million in Nylon items, ¥4,458 million in Tetoron items (Tetoron is the commercial name for Terylene), and ¥8,450 million in rayon filament and spun rayon items, and the profit for the term reached ¥3,320 million. The company doubled its capital to ¥12,000 million in October, 1958, and the profit rate for the term under review amounted to 55.0%, enough to give the 18.0% dividend. The company has been positive in its business policy. Parallel with the constant improvement of the rayon division and the increased capacity of the Nylon division, the company has also started the production of a new syn-

thetic fibre of the polyethylene group under the name of pylen, and the trial manufacture of another new synthetic fibre of the acrylonitril group named Tolelon. The company has four major plants throughout the country—at Shiga, Ehime, Nagoya, Aichi, Mishima, Seta, Kanazu and Okazaki.

Asahi Chemical Industry

Asahi Chemical Industry Co., Ltd. is backed by a history different from those of other chemical fibre manufacturers in this country. In 1922, Jun Noguchi, a well-known industrialist, founded a rayon company under the name of Asahi Silk Weaving with factories in Otsu (Shiga prefecture) and Nobeoka (Miyazaki prefecture). In the following year, Mr. Noguchi also started manufacturing ammonia sulphate at a new plant in Nobeoka. For utilization of ammonia, Mr. Noguchi concluded a technical tieup contract with J. P. Bemberg Co. (Germany) for the production of Bemberg yarn (a cuprammonia rayon) with the eventual establishment of Nippon Bemberg Yarn Co. in 1929. In 1933, Asahi silk Weaving and Nippon Bemberg Yarn were amalgamated into Asahi Bemberg Yarn Co. The new company absorbed Nitchitsu Kayaku, another company founded by Mr. Noguchi in 1930, to emerge as a larger company under the name of Nitchitsu Chemical Co., Ltd. in 1943, and the last-named changed the name to Asahi Chemical Industry in 1946 right after the termination of the Pacific War. The postwar advance of the company has been extremely positive with its list of products including viscose rayon yarn, cuprammonium rayon yarn, acrylic fibre, explosives, industrial detonators, electric detonators, ammonium sulphate hydrochloric acid, liquid chlorine, sulphuric acid, caustic soda, ammonia, etc. In 1952, the company entered into a technical tieup contract with Dow Chemical Co. (U.S.) to establish a new company under the name of Asahi-Dow Co. for the production of a polyvinyl chloride-vinylidene fibre named Saran. This new company has

1. Japan's Production of Chemical Fibres

(In 1,000 kgs.)

	1957	1958	1959 (Jan.- Nov.)	1959*
Rayon—				
Filament	92,963	57,654	69,532	76,100
High-tenacity	15,621	13,522	17,697	19,600
cupra ammonium yarn	9,627	8,222	10,703	11,800
Rayon staple	314,044	239,680	241,198	265,700
Total	432,255	319,078	339,130	373,200
Acetate—				
Filament	3,386	4,919	7,602	8,400
Acetate staple	2,953	1,917	2,634	2,950
Total	6,339	6,836	10,236	11,350
Synthetic fibres—				
Vinyon	14,729	12,853	14,885	16,500
Nylon	22,136	23,148	25,195	28,000
Vinylidene	2,984	2,614	2,642	2,900
Polyvinyl chloride	1,958	1,993	3,178	3,500
Acrylonitriles	578	2,754	10,771	12,400
Polyester	—	3,012	12,428	13,800
Polyethylene	—	—	180	240
Total	42,385	46,374	69,279	77,340
Grand Total	480,979	372,288	418,645	461,890

*December production provisional.

Source: Japan Chemical Fibres Association.

2. Supply-Demand Estimates of Major Fibres

(In 1,000 kgs)

	1957	1960*	1962*
Natural Fibres—			
Cotton yarn	479,172 (190,691)	489,877 (185,518)	506,800 (185,970)
Woolen yarn**	110,375 (20,006)	129,863 (20,956)	147,190 (23,310)
Silk yarn	20,318 (8,893)	20,933 (9,203)	21,430 (9,480)
Hemp yarn	11,955 (1,612)	12,392 (1,869)	12,970 (2,220)
Others	65,869 (9,596)	66,905 (9,072)	67,860 (9,070)
Total	687,689 (230,798)	719,970 (226,618)	756,250 (230,060)
Chemical Fibres—			
Rayon filament yarn	114,143 (53,639)	117,984 (61,330)	125,710 (66,320)
Spun rayon yarn	254,340 (152,851)	268,435 (160,164)	301,410 (178,080)
Acetate yarn	10,518 (1,146)	16,801 (3,012)	23,880 (6,330)
Synthetic fibre yarns	49,854 (2,851)	115,349 (16,012)	168,410 (23,730)
Total	428,855 (210,487)	518,569 (240,518)	619,410 (274,460)
Grand total	1,116,544 (441,285)	1,238,539 (467,136)	1,375,660 (504,520)

*estimated; **including worsted yarn.

Source: Fibres Coordinating Committee (Sen-i Sogo Taisaku Shingikai).

recently started manufacturing styrene-monomer, a major material for polyester styrol resins. Asahi Chemical Industry itself in 1959 has started manufacturing a chemical fibre of the acrylnitril group under the brand "Cashimilon" at its new factory at the foot of Mt. Fuji in Shizuoka prefecture. The sales of the company in the half-year term ending September, 1959 amounted to ¥16,842 million with the profit registering ¥804 million for the 18.0% dividend. With a new capital increase due soon, the company will become a ¥8,000 million concern (from the present capital of ¥4,367 million) as of March, 15, 1960. The company has five factories—at Nobeoka, Fuji, Wakayama, Sakanoichi (Oita pref.) and Kawasaki.

Teikoku Rayon

Established in 1918, Teikoku Rayon Co., Ltd., is the oldest manufacturer of rayon filament in this country. The company started making rayon staple in 1938 and advanced to spun rayon yarn after the war's termination. With the production of acetate fibres commenced in 1953, the company made endeavors to induct technical knowhow from Germany and Switzerland in 1954. In addition to acetate filament yarn, the company's specialties include Teviron of the polyvinyl chloride group and Tetoron of the polyester group. The company is also engaged in the production polycarbonate resin and other synthetic resins through the medium of its subsidiary, Konoshima Chemical Industry, Ltd. For the half-year term ending September, 1959, the company sold ¥13,132 million worth (including ¥7,252 million of rayon filament and spun rayon products, ¥2,641 million of acetate filament products, ¥2,247 million of Tetoron, and ¥992 million of Teviron), and garnered the profit amounting to ¥516 million, enough to continue the 12% dividend for the term. Capitalized at ¥5,834 million at present, Teikoku Rayon plans to double its capital during 1960. The company has major plants at Mihara (Hiroshima pref.), Iwakuni (Yamaguchi pref.), Nagoya, Matsuyama (Ehime pref.) and Komatsu (Ishikawa pref.).

Kurashiki Rayon

Kurashiki Rayon Co., Ltd. was established in 1926 under the name of Kurashiki Silk Weaving by Kurashiki Spinning, and started manufacturing rayon filament from 1928, followed by the production of rayon staple which was commenced in 1937. During the Pacific War, the com-

pany shifted to manufacturing munitions under the new name of Kurashiki Aircraft and Chemical Co, but returned to the old lines under the original name in 1945 immediately after the war's termination. It was in 1949 that the company changed to the present name. One of the noteworthy undertakings of the company after the war was the start of production of Vinyon, a synthetic fiber of the polyvinyl alcohol group discovered in Japan, in 1948. Vinyon, manufactured from limestone and coal more or less abundantly available in Japan, costs less than other synthetic fibres, and is being widely used for manufacturing clothing and fishing nets substituting cotton counterparts. Through a technical tieup with Kanegafuchi Spinning, the company has recently succeeded in manufacturing wool-type Vinyon K56. The sales of the company during the half-year term ending September, 1959 amounted to ¥11,091 million (including ¥5,680 million worth of Vinyon items and ¥5,411 million of rayon filament items), and earned ¥422 million for the continuance of a 15% dividend. The company plans to boost its capital (¥3,000 million at present) in the near future. The company has major factories at Kurashiki (Okayama pref.), Okayama, Toyama, Ozaki (Osaka pref.) and Maruoka (Fukui Pref.).

Nippon Rayon

Founded in 1926 as a subsidiary of Dai Nippon Spinning Co., Ltd., Nippon Rayon Co., Ltd. started manufacturing rayon filament in 1929, followed by the production of rayon staple. Since 1939, the company has amalgamated a number of textile companies including Nippon Silk Weaving, Nippon Artificial Fibres, and Nippon Reeling, to develop into a leading manufacturer of rayon filament, rayon staple, raw silk, silk fabrics, silk yarn, and a variety of hosiery products. The postwar recovery of the company has been especially noteworthy since 1950. In 1954, the company concluded a technical tieup contract with Inventa Co., Ltd. (Switzerland) for industrialization of Nylon. For the half-year term ending September, 1959, the sales of the company totalled ¥12,213 million, including ¥8,542 million worth of Nylon products, ¥3,253 million of rayon products and ¥419 million of raw silk items, and garnered the profit of ¥536 million for the continuance of the 12% dividend. The profit rate stood at 29.0% against the paid-up capital of ¥3,760 million. The company has principal factories at Uji (Kyoto pref.), Okazaki

(Aichi pref.), Fushimi (Kyoto pref.), Yonago (Tottori pref.) and Kotsu (Tottori pref.).

Mitsubishi Rayon

Mitsubishi Rayon Co., Ltd. was originally founded in 1933 under the name of Shinko Rayon for the production of rayon staple and spun rayon items. In 1942 when the Pacific War was in full swing, Shinko Rayon was absorbed by Nippon Kasei (Chemical), another industrial company of the Mitsubishi group. Nippon Kasei in 1953 also amalgamated Asahi Glass to emerge as a giant concern under the name of Mitsubishi Kasei. Under the provisions of the Law for Decentralization of Excessive Economic Power, Mitsubishi Kasei after the war (in 1950) was divided into three companies (Shinko Rayon, Nippon Kasei and Asahi Glass), and Shinko Rayon in 1952 assumed the present name of Mitsubishi Rayon.

The business of the company made a swift turn for the better from the early part of 1959. The company's sales for the half-year term ending September, 1959 totalled ¥7,206 million, and its profit for the term stood at ¥311 million with the profit rate against the paid-up capital (¥2,481 million) reaching 25.0%, enough to continue the 12% dividend. The company plans to double its capital in the early part of 1960. Major factories of the company are located at Otake (Hiroshima pref.), Kota (Aichi pref.) and Toyama.

Toho Rayon

Toho Rayon Co., Ltd. was established in 1934 under the name of Toho Artificial Fibers for the production of rayon staple and spun rayon products. In 1940, it merged with Japan Oils & Fats to serve at the latter's fibrous division. In 1945, the division separated itself from the aegis of Japan Oils & Fats and merged with Teikoku Sen-i (Textiles). In 1950, the division became independent under the present name of Toho Rayon. The company plans to amalgamate Wakabayashi Spinning Co., Ltd. in February to add to its capacity. After the proposed amalgamation, the company's spinning capacity (totaling 115,000 spindles at present) will increase 108,000 spindles for cotton, 84,000 spindles for spun rayon, and 5,000 spindles for silk. Capitalized at ¥1,591 million, the company after the amalgamation will grow into a ¥2,001 million concern. For the half-year term ending December, 1959, the sales of the company amounted to ¥6,000 million, and the net profit is estimated to have reached ¥300 million. With the average semi-annual sales by Wakabayashi Spinning estimated at about ¥2,500 million (for the average profit of ¥120 million), the business of the company after the amalgamation will make a marked step upward. Major plants of the company are located at Tokushima and Ogaki.

3. Equipment in Fibres Industry in 1962

(Daily capacity: 1,000 kgs)

	Present Capacity	In Demand in 1962	Over-equipped or Under-equipped
Rayon—			
Filament	410	326	(+) 84
High-tenacity	67	91	(-) 24
Rayon Staple	1,421	1,127	(+) 294
Cupra Ammonium Staple	—	9	(-) 9
Acetate—			
Filament	22	46	(-) 24
Staple	14	9	(+) 5
Synthetic Fibers	295	431	(-) 146

Source: Fibres Coordinating Committee.

Representing the Rising Industry

TOYOTA MOTOR

IN recent several years, Japan's automobile industry has been making a steady and energetic progress as one of the country's rising industries. Only several years ago, when one talked about Japan's automobile industry, what one usually meant were trucks and other utility vehicles. Now, however, the emphasis of the industry has been steadily shifting toward passenger cars, as has been the case in other advanced countries in the West. Exports of passenger cars, undreamed-of only a short while ago, have been growing to overseas countries including the United States. Now it is deemed certain that automobile industry will become one of the pivots of the country's industrial activity. Comprising no mean part of this rising industry is Toyota Motor Company, whose business and production doubled and trebled in the past several years.

Toyota Motor Co. is literally the biggest automobile maker in Japan with every variety of cars in its production line. Listed in the accompanying chart are the principal items of the Company's production roster. The cores of the production, however, are Toyopet Crowns in the passenger car division and Toyo-Aces in truck and utility car division. Beside those listed in the table, the Company has started on the production of a small diesel-engine passenger car (actually Toyopet Crowns with small 40-hp. diesel engines mounted) since the autumn of 1959. In the early spring of 1960, the Company is scheduled to put on sale a new small passenger car for export purposes. In the truck and utility car division, Toyota is producing such special cars as fire engines and military cars for the U.S. Security Forces stationed here.

Toyota, the Leader in the Field

The Company's business has been especially spectacular ever since the success of its apple-in-the-eye—small truck Toyo-Ace—which first took a bow in 1954. With the debut of Toyopet Crowns, the Company's position as a passenger car maker has been firmly established.

The Company's production for the term ended May, 1959 (Toyota settles account in May and November) stood at 45,816—7,668 for ordinary trucks and other utility cars; 23,115 for smaller trucks and 15,033 for passenger cars. The Company accounts for a gross 32.3% of the nation's total production of ordinary cars and leads the field followed by Isuzu Motor which trails Toyota by a wide margin. In the small truck field, Toyota also takes a lion's share of the nation's total with 46.1% with Nissan Motor in tow. Toyota is also a top-dog in the passenger car production with 45.3% of the country's total production followed by Nissan Motor. All in all, Toyota productions account for 42.7% of Japan's total automobile production. In the past few years, Toyota has pushed itself far ahead of the rest of the pack and even in the field of diesel cars, which is usually considered to be

Toyota's weakest point, Toyota is making an energetic headway.

1. Principal Production Lines of Toyota Motor

	Wheel Basis (mm)	Engines (hp.)	Loading Capacity
Small Models			
(Passenger Cars)			
Toyopet Crown Deluxe	2,530	62	6 persons
Toyopet Crown	2,530	60	6 persons
Toyopet Corona	2,400	45	5 persons
(Trucks)			
Toyopet Stout	2,515; 2,740	60	1.5; 1.75 tons
Toyopet Dina	2,740	60	2 tons
Toyopet Ace	2,500	45	1; 1.25 tons
Toyopet Corona Line	2,400	45	2-5 persons
Toyopet Master Line	2,530	60	0.3-0.5 tons 3-6 persons 0.4-0.75 tons
Large Models			
Toyota Truck	4,200; 4,400	125	5; 6 tons
Toyota Diesel Truck	4,200; 4,400	110; 130	5; 6 tons
Toyota Diesel			
Rear Engine Bus	4,200; 5,000	130	62-68 persons
Toyota Landcruiser	2,285; 2,400	125	2-5 persons 0.4 tons

Business Results Booming

In tune with the advent of the prosperity and brisk industrial activities in the spring of 1959, Toyota's business results have been spectacular to say the least. A sort of boom is now in progress in Japan for the durable consumer goods and the sales of automobile for family uses have been on a steady upcurve. To cope with this happy development, Toyota is stepping up its production of Toyopet Crowns and Toyo-Aces. The exports of Toyopet passenger cars to the U.S. and those of the variety of trucks to the South East Asian countries have been growing smoothly. On top of this, the Company was finally awarded after a heavy competition with its rivals the special procurement orders from the U.S. Forces stationed here for a variety of army cars totalling in number to 13,570 units.

Thus, the monthly total of the Company's production grew from 7,000 units in March, 1959 to 8,000 units in April and further to 9,000 units in June. In September of the same year, a new factory for the sole purpose of producing passenger cars began operation for the first time in the Orient. With this factory in full swing, the Company's monthly production finally eclipsed the long-dreamed-of milestone of 10,000 units. In complete tune with the numerical growth of the Company's production, Toyota's business results have been following a rosy path as is clearly shown in the Table 2. Every term, the Company sets aside a sizable sum for "fixed assets special redemption account" and internal reserve. In the term ended May, 1959, the Company chalked up a record result of ¥32,000 million sales and ¥3,378 million profits. The profit rate against the total capital, on the other hand, stood at 101%, while the dividend rate stood as high as at 20% a year. The result for the November 1959 term, the business results are generally considered to be even better, if anything, than the May term with monthly average production standing at about 9,000 units. Profits

would be around ¥3,800 million and profits, ¥3,700-3,800 million. The industry's consensus is that these phenomenal figures would be very short-lived indeed, as the Company is destined to make another headway in the succeeding term.

2. Toyota's Business Results

(In ¥ million & percentages)

		Sales	Profits	Profit Rate	Dividend
		100	100	%	%
May-end	'56	12,338	1,125	135	20
November-end	'56	19,358	2,121	164	20
May-end	'57	24,894	2,344	137	25
November-end	'57	28,267	2,489	149	20
May-end	'58	26,196	2,311	69	20
November-end	'58	25,046	2,263	68	20
May-end	'59	32,863	3,378	101	20

First Passenger Car Specialty Factory

The greater part of the Company's strength lies in the large-scale modernization and rationalization which the Company has carried out of its factories during the past several years. The Company's productivity is one of the highest in Japan, and the Company boasts of the lowest production cost in the industry. Toyota is now in a position to be able to cope with any developments and demand increases in the future.

The Company's headquarters are in Toyota City, Aichi Prefecture, where the Company's head office and main truck factory are placed. Near this site has recently been established Motomachi Factory, part of which is now put into operation.

This factory is the first passenger car specialty factory in the Orient. In the first stage construction, three departments—chassis, coating and assemblage—were established and have been the center of attention by many a concerned circle. The current monthly production capacity is 5,000 units. With the completion of the second-stage construction in 1961, however, the figure is expected to jump to 10,000 units a month. With 10,000 units of trucks and other utility cars, the Company's monthly total production will then eclipse the coveted 20,000 unit mark.

Another strong point of Toyota Motor is a strong army of subsidiaries and affiliates, which, like the lower echelons of a pyramid, constitute handy and indispensable supply depots for the giant automobile firm. Most representative of these are Toyota Automatic Looms, Toyota Body, Japan Electrical Equipments, Toyoda Koki, Aichi Kogyo, Aichi Iron & Steel and Kanto Motor, every one of them is a big business in its own right. These companies are closely related with Toyota Motor both in capital formation and personnel construction and are major factors contributing toward the reduction in the finishing costs of Toyota's variety of cars.

Toyota's wide and closely-knit sales network in overseas countries in another of the Company's strong

points. At the moment, Toyota Motor Sales has about 50 overseas representatives and agents including those in Thailand, Venezuela, Burma, Paraguay, Hawaii and Iran. Toyota Motor Sales, U.S.A. in Los Angeles is the Company's beachhead for the invasion into the U.S. mainland.

New People's Car in 1960

The history of Japan's automobile industry is still young and there is a great and bright future for it. To take full advantage of this "motorization boom," Toyota Motor is steadily building its strength for massive onslaught in the local markets. Nor is the Company slack in its plan for further overseas expansions. As a step in this direction, the Company is scheduled to announce a new car for the express purpose of exports. With this new model, Toyota will make a strong bid against the Datsun family of cars of Nissan Motor and at the same time will try to blaze new export paths overseas—notably the United States. The Company also has up its sleeve

its own version of the so-called *people's car* (priced around ¥300,000) for near-future announcement. A cry has long been raised for Japan's versions of Germany's Volkswagen and Mitsubishi Heavy-Industries, Reorganized has already started production of its own economy car under the name of Mitsubishi 500. Following this lead, Toyota Motor will most probably announce its own version in the 1960



Toyopet Crown Deluxe - Toyota's Gold Mine.

Autumn Motor Show and will put the car on mass production system early 1961 in the Company's Motomachi Factory.

According to the schedule of the Company's management, Toyota Motor will boost its total production by 2.5 or 3 times in five years and its annual sales will amount to ¥200 billion. This is by no means an empty dream in view of the Company's vast potential power, which is the largest of all Japan's automobile makers.

The company is now in the process of a 50%-strong capital increase and with the completion of this project on February 15, 1960, the Company's capital will stand at ¥10.5 billion. In the following five-year period, there are generally expected two to three times of capital expansions, while the Company will be able to continue its 20% annual dividend with flying colors.

3. Toyota's Exports Achievements

(April-September, 1959)

Destinations	Units
U. S. A.	740
Cuba	425
Taiwan	175
Indonesia	159
Kuwait	124
Iran	120
Hawaii	117
Okinawa	112
Colombia	100
Venezuela	86
Others	948
Total	3,106

Note: Of exports to the U.S., 691 are passenger cars.

Company Notes

Giant Blast Furnace for Fuji (*Mitsubishi Shipbuilding & Engineering Co.*)

The Hiroshima Works of Mitsubishi Shipbuilding & Engineering Co., Ltd. has received an order from Fuji Iron & Steel for a 2,000-ton blast furnace and a complete set of sintering equipments. The main body of sintering equipments is 8 ft wide and is equipped with a giant cooler. The completion of the blast furnace and sintering equipments under the present order is scheduled in December, 1960 at the total cost of about ¥800 million.

Rayon Plant Export to India (*Asahi Chemical Industry; Mitsubishi Heavy Industries, Reorganized, Ltd.; Mitsubishi Shoji*)

A contract for the construction of a rayon filament yarn plant in India has been concluded recently by three leading Japanese companies (Asahi Chemical Industry; Mitsubishi Heavy Industries, Reorganized, Ltd.; and Mitsubishi Shoji) with National Rayon Co. (India). The contract is estimated worth ¥1,800 million. India has been endeavoring to become self-supplied in rayon filament yarn as a measure to economize foreign currency, and the present contract is part of its self-sufficiency plan. Under the contract, Mitsubishi Heavy Industries, Reorganized, Ltd. will take charge of manufacturing main equipments while Asahi Chemical Industry will supervise the construction of the plant and furnish technical guidance.

Steel Ships By Mitsubishi (*Mitsubishi Shipbuilding & Engineering Co.*)

Mitsubishi Shipbuilding & Engineering Co. reported that the company launched 17 steel ships (aggregating 237,400 gross tons) and completed 18 ships (aggregating 289,500 gross tons) in calendar 1959 at its shipyards in Nagasaki, Shimonoseki and Hiroshima. Of the total, the Nagasaki dockyard accounted for 8 ships aggregating 202,500 gross tons launched and 10 ships aggregating 255,800 gross tons completed.

Synthetic Rubber Production Started (*Nippon Gosei Gomu K.K.*)

Nippon Synthetic Rubber Co., Ltd. (Nippon Gosei Gomu K.K.; capitalized at ¥2,500 million) has started operation of its Yokkaichi plant on January 6. Production was commenced upon the completion of the butadiene mill and SBR (styrene-butadiene-rubber) polymerization equipments at Yokkaichi at the total cost of about ¥15,000 million. The new mill is the first SBR factory of the kind in this country. With the start of butadiene manufacturing facilities in April, it will become one of the newest-model rubber plants operating on the integrated (from raw materials to finished products) basis in the world. Beginning at the annual production capacity of 30,000 tons, the output will be advanced to 45,000 tons in four years.

Synthetic Resin Adhesives by Toyo Koatsu (*Toyo Koatsu Industries, Ltd.*)

Toyo Koatsu Industries, Ltd. is getting ready to start construction of a new plant at its Hokkaido factory for the production of formalin and synthetic resin adhesives using formalin as material. The new plant, scheduled to be completed in June, 1960, will have the monthly capacity of 500 tons of formalin and 1,000 tons of adhesives (including urea and phenol resin adhesives).

Most Powerful Diesel Engine Made (*Mitsubishi Nippon Heavy Industries, Ltd.*)

The Yokohama Dockyard of Mitsubishi Nippon Heavy Industries, Ltd. has completed the most powerful diesel engine. The new diesel engine having the maximum capacity of 18,000 h.p. was manufactured through a technical tieup with Mann Co. (West Germany) and will be attached to a mammoth tanker (40,300 tons) of Mitsubishi Shipping due to be launched in April, 1960. A 16,000-h.p. diesel engine manufactured some time ago by Iino Heavy Industries, Ltd. (Japan) was the largest diesel engine in the world made in this country. It is understood that Mitsubishi Nippon Heavy Industries plans to manufacture two other giant diesel engines (18,000 h.p.) soon.

Fish Meal Project by Taiyo (*Taiyo Fishery Co.*)

As the first step for the concrete advance to the production of fish meals, Taiyo Fishery Co. has decided to erect a compound feed plant at Tsurumi, Yokohama. Taiyo Fishery has been manufacturing fish meals from codfish, flatfish and other fish available from its fishing operations in northern waters at the annual capacity of about 6,500 tons, of which some 5,000 tons are earmarked for export at the per ton price of about ¥60,000-70,000. Under the new program, the company will boost the annual meal production to about 20,000 tons during 1960. The new plant, to be constructed on a 33,000-square metre site at the cost of ¥200,000,000, aims at manufacturing compound feedstuffs from fish meals.

New Plant for Midget Cars in Kanagawa (*Isuzu Motor Co., Ltd.*)

Isuzu Motor Co. will start construction of a large-scale plant for midget cars in Sagami-hara, Kanagawa prefecture in the early part of this year. The new plant, covering the total space of about 1,000,000 square metres will be eventually equipped with the monthly capacity of 10,000 cars. With the total construction cost estimated at about ¥10,000,000,000, the first-stage project costing ¥2,000,000,000 will be completed in the latter half of 1961 for the monthly output of 3,000 small trucks and 2,000 new-model passenger cars.

Tire Roller Production Planned (*Mitsubishi Heavy Industries, Reorganized*)

As a prelude to an overall advance to the production of construction machinery,

Mitsubishi Heavy Industries, Ltd. has decided to embark upon the manufacture of tire (road) rollers through a technical tieup with a French firm. The company's new plan is based on the prospective increase in demand for road construction machinery parallel with the progress of the nation's highway streamlining program.

New Road Construction Machinery (*Sumitomo Machinery Co.*)

Sumitomo Machinery Co., Ltd. has succeeded in manufacturing three new-model road construction machines (concrete spreader-finisher, stabilizer, and asphalt finisher). The company is manufacturing those machines at the monthly capacity of 10 units (all inclusive).

"Paper That Speaks" (*Dainippon Printing Co.*)

Dainippon Printing Co., Ltd. announced on January 6 its program for multilateral management in 1960. Some of the new projects in the new management policy of the company include: 1) Mass production of "paper that speaks" (a kind of synchrosheet) which will be marketed as supplements of leading journals from April; 2) Construction in February of a new factory in Nagoya capable of having veneer and hard board printed directly; 3) Production of shadow masks for colored television and other ultra-fine metal screens.

Largest Silicon Rectifier (*Hitachi Works, Ltd.*)

A silicon rectifier (32,000 Kw in capacity), the largest ever made in the world for aluminium smelting, is under construction by Hitachi Works, Ltd. for the Kitakata works of Showa Denko K.K., one of the "Big 3" aluminium smelters in this country. In parallel, Hitachi Works has also succeeded in developing a silicon commutator up to the rated current of 300 ampere and the maximum allowable peak counter pressure of 800 volts.

Thinnest Wrist Watch (*Seikosha Co., Ltd.*)

Seikosha, Ltd., one of leading watch makers in this country, has succeeded in manufacturing a new three-hand wrist watch, perhaps the thinnest in the world. The new watch, to be marketed in late February, is 2.9mm thick, the first three-hand wrist watch thinner than 3mm ever made.

Integrated Food Plant in Chiba (*Showa Sangyo Co.*)

Showa Sangyo Co., Ltd. a major manufacturer of food products, will construct an integrated food factory in a 115,000-square metre lot on a reclaimed ground along the beach of Funabashi City, Chiba prefecture. Estimatedly costing some ¥2,000 million, the new factory will be an all-embracing food processing mill including among its specialties wheat flour, edible oils, glucose, and affiliated food products.

Video Tape To Be Mass-Produced (*Fuji Photo Film Co.*)

Fuji Photo Film Co., Ltd. announced that it is ready to start mass production of video tapes by the domestic technical process from March, this year. This will be the first attempt to manufacture video tapes on the basis of domestic knowhow. With Tokyo Electro-Chemical Co. and Sony, Ltd. making preparations for manufacturing video tapes by the domestic processes, a variety of purely home-made video tapes will be marketed in succession in the spring of 1960.

Book Review

Castles in Japan: A Pictorial. Photographs by Munekazu Inoue. Published by the Association of Japanese Castles, Tokyo. Pp. 72, of which 60 pages are photographs. Format: 26×25. Price: \$3.00 or ¥1,100.

The current reviewer is no authority on Japanese castles nor is he an expert on Japanese arts in general for that matter. This fact, however, did nothing to prevent him from enjoying this immensely interesting and illuminating pictorial on a variety of Japanese castles—some standing in its entirety and others remembered only by meager remains of tell-tale white walls. One of the representatives in the former category would undoubtedly be Himeji-Jo in Himeji City in Central Japan. True to its poetic nickname—the “Castle of Snowy Heron”, the Himeji Castle is one of the most beautiful sights in the country. It is to the great credit of Mr. Munekazu Inoue, the master photographer, that the volume has finally succeeded in conveying the elusive impression of the unique combination of delicate beauty and great strength which is the Himeji Castle.

In the current pictorial, there are in all 49 separate castles, many of which are represented by more than two pictures. Each of them has a unique atmosphere—or more properly, aura—of its own. True castle experts may well bemoan the poor maintenance condition in which Ozu Castle now stands with all its white walls crumbling down. The reviewer, however, felt deeply attached to the picture, as it seems to bodily represent the basic Oriental philosophy that “everything arises, declines and passes”, no matter how powerful something may seem to be in its heyday.

Then, there is Hirosaki Castle softly mantled in snow. Gazing intently at the beautiful panorama of deceptive silence and tenderness for a while, you would wonder if it is in fifteenth century that you are living. You would not be surprised if a band of dark-clad killers suddenly appears on the scene for some internecine warfares which raged the country in about that time.

Again, there is Edo Castle—now the seat of the Emperor and one of the tourists' musts in Tokyo; Nagoya Castle with giant gold porpoise figureheads on roof-tops; Matsumoto Castle with its funeral-looking defensive mechanism built of blackened wood boards all around it; and Kochi Castle rising elegantly among the somewhat-dwarfed pine trees with wooden spikes jutting out of its sides for possible sneak-attackers. One could go like this almost for ever. So full is this pictorial with memorable monuments of ancient wars. The best part of them all is that we no longer need them as instruments of war and that we can appreciate them for their artistic aspects.

The pictorial is handsomely accompanied with a very to-the-point introduction in English and a map of Japan with the sites of castles marked with circles and names, which would be an infinite boon to the actual travellers. No Japanophiles or any lovers of arts can ignore this rewarding pictorial. (A.T.)

Nihon no Kokufu Kozo (*Japan's National Wealth Structure*) (In Japanese) Edited by Dr. Ichiro Nakayama. Published by Toyo Keizai Shinpo-Sha. Pp. 632 ¥4,000.

The survey and analysis of the wealth of a nation as the basis of national income are indispensable factors in formulating taxation systems and economic policies. In view of this importance, Japan has carried out since 1905 seven general surveys on the country's wealth. Especially the last one which was carried out in 1955 was a very elaborate one consuming five long years in preparation, and well comparable to those carried out in the advanced countries of the West.

The current volume was prepared under the supervision of Dr. Nakayama, who presided as the president of Japan National Wealth Study Congress, and is not only a survey of Japan's national wealth in 1955 but is also a synthesis of a variety of survey methods of national wealth. A great part of this volume (actually 352 pages of it) is devoted to statistical charts and constitutes one of the features of the volume.

According to this volume, Japan's total national wealth at the end of 1955 stood in terms of value at ¥20,297.4 billion excluding natural objects. This means that the per capita national wealth of this country is around ¥230,000. Of this amount, a gross ¥20,098.2 billion (99.0%) is corporeal assets, while foreign credits account for only 1.0% (¥199.2 billion in terms of value). Among the corporeal assets, fixed assets account for ¥16,932.5 billion (83.4% of the total), while stock materials account for 15.6% (¥3,165.6 billion). Below in tabulated form are the detailed accounts of the nation's wealth.

	Value (In ¥100 million)	%
Corporeal Fixed Assets		
Buildings	61,658	36.4
Other structures	28,980	17.1
Machinery & Equipments	17,511	10.4
Ships	3,020	1.8
Rollingstock & Transportation Equipments	6,335	3.7
Appliances & Tools	4,729	2.8
Tentative Outlay for Construction	2,358	1.4
Animals & Plants	3,410	2.0
Household Furniture	40,146	23.7
Others	1,178	0.7
Material in Stock		
Raw Materials	5,059	16.0
Semi-finished Goods, etc.	4,629	14.6
Finished Goods	19,057	60.2
Stored Goods	2,912	9.2

By possessors of these assets, the state owns 17.0%; local government bodies, 6.0%; and private owners, 77.0%. Among private possessions, 24.5% are owned by corporations; 12.3% by small enterprises and 29.9% by private households. This book is naturally a must for all those who are interested in Japan's economy and wealth. (K.N.)

Indian Economy Since Independence: Written by H. Venkatasubbiah Published by Asia Publishing House. Price: Rs. 17.50. Pp. 343. Format: 22×14.

It was in August, 1947—two years after the termination of the Pacific War—that India achieved its long-cherished dream of independence. As this date as a turning point, the Indian economy and society has entered the first stage of a “silent” revolution.

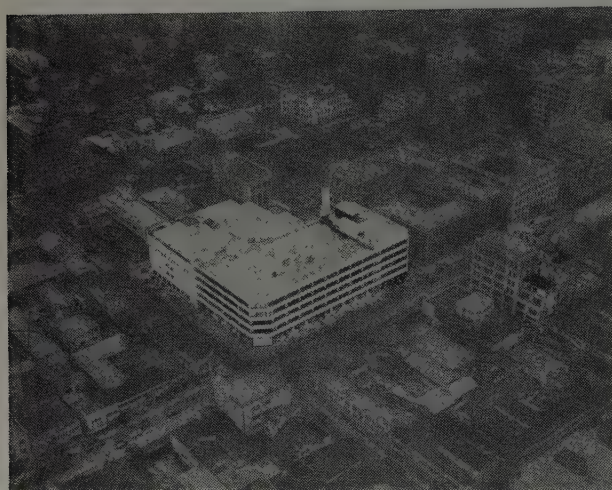
One of the problems which arouses our curiosity most strongly is how the industrialization of India has been accelerated by the country's independence. In an attempt to answer this and other likely questions, the author of the current book follows the developments of the nationalization of the country's key industries, which started with the nationalization of the Reserve Bank of India. It is true that there are still a great deal of important industries in India which are still privately operated. These industries, however, are now heavily subsidised by the Governmental outlays for their successful operations. In line with these industrial developments, the foreign trade structure of India has been greatly changed.

Dealing with these and other equally important problems, the authors' pen is as smooth as an expert skater on ice, as he himself is an intelligent Indian who has seen and lived all of these problems. The current book will remain a handy and to-the-point reference for all those who are interested in Indian economy—and the world economy as a whole for that matter.

(J.Y.)

Company of the Month**MARUBENI-IIDA CO., LTD.**

THE recent growth of Marubeni-Iida Co., Ltd. as a general trading firm after the war's termination has been noteworthy. Having its start as a representative merchant specializing in textile goods, the company later advanced to non-textile branches and has established itself today as one of the largest trading companies in this country, almost equal in scale to the "Big 2" traders—Mitsui Bussan and Mitsubishi Shoji. Marubeni-Iida Co.



Bird's-eye View of Marubeni-Iida's Main Office Building

Ltd. had its start as one of the four second companies of Daiken Sangyo Co., Ltd. in 1949 when the latter firm was dissolved under the provisions of the post-war Economic Decentralization Law. The other three second companies are C. Itoh Co., Ltd., Kureha Spinning, and Amagasaki Steel Works. The growth of the company after its birth has been smooth and active, except for a certain short period directly after the Korean War. In the half-year period ended September, 1959, the company registered the total sales of ¥206,000 million. The company's sales for the period under review were excelled only by the sales of the "Big 2"—Mitsui Bussan (¥242,500 million) and Mitsubishi Shoji (¥226,200 million), and well ahead of the sales of C. Itoh Co., which placed fourth, at ¥176,700 million. The sales of Marubeni-Iida Co., Ltd. for the current term ending March, this year are estimated to top ¥240,000 million, with the further leap to ¥270,000 million expected likely in the next term ending September, this year. Thus, the annual sales of the company are certain to top the ¥500,000 million mark in the near future.

Of the total sales of the company (¥206,100 million) for the term ending September, 1959, export shipments accounted for ¥29,800 million, import purchases for ¥49,500 million, and domestic transactions stood at ¥124,200 million. Thus, the weight of export trade in the company's business stands at around 40.0%, slightly lower

Marubeni-Iida's Sales 1950-1959

(In million yen)

Six-Month Term ending	Sales	Profits	Dividend Rate (%)
*March, 1950	4,988	23	15
Sept., 1950	15,173	146	30
March, 1951	35,413	525	50
Sept., 1951	52,052	81	20
March, 1952	44,300	518	—
Sept., 1952	43,073	19	—
March, 1953	46,174	258	—
Sept., 1953	62,040	165	15
March, 1954	72,832	131	15
Sept., 1954	62,537	110	15
March, 1955	65,078	153	15
Sept., 1955	99,242	260	15
March, 1956	112,186	336	15
Sept., 1956	146,138	524	15
March, 1957	177,070	651	15
Sept., 1957	184,341	534	15
March, 1958	162,125	508	15
Sept., 1958	162,957	502	15
March, 1959	166,516	571	15
Sept., 1959	206,094	706	15

Note: * Four-month term.

Source: Compiled by *The Oriental Economist*.

than the 50% ratio for Mitsui Bussan and Mitsubishi Shoji. The company at present has 10 branches, 12 sub-branches and 13 liaison depots overseas and also controls 15 subsidiaries established under the laws of the respective foreign countries in which they operate. Through the network of those overseas offices, the company is expected to make a more positive advance in international trade, particularly after Japan's trade liberalization measures get into full swing. On the list of commodities handled by the company, machinery, metals, fuels, foodstuffs, oils and fats, fertilizers, chemical products, lumber and other non-textile goods have been increasing at a swift tempo. These items accounted for nearly 50.0% of the total sales during the one year from October, 1958 through September, 1959, as compared with 20.0% several years ago. The company is reported planning to boost the weight of these non-ferrous products to more than 70.0% of total transactions in the future in order the steady shifting of the weight of Japan's industrial structure from light industries to heavy and chemical industries.



Part of General Business Room



Part of Communications Room

The advance of Marubeni-Iida Co., Ltd., originally a specialist in textile goods, to non-textile sectors has been made possible through years of unstinted efforts. In the course of past several years, the company amalgamated Takashimaya-Iida Co., one of leading traders in metal goods, to strengthen its non-textile front. The recent absorption of Daiichi Kozai, a well-known iron-steel wholesaler affiliated with Nippon Kokan, the third largest steel maker in Japan, has also served to strengthen the company's transactions in iron and steel products. Through transactions with key steel manufacturers like Yawata Iron & Steel, Fuji Iron & Steel, Kawasaki Steel, and Kobe Steel Works, the company has handled about ¥50,000 million worth of business in iron, steel and other metal products annually in recent years, and such transactions are expected to increase ¥6,000-7,000 million yearly through the absorption of Daiichi Kozai. Domestic business by the company has been further bolstered by the recent acquisition of 1,000,000 shares of Toyo Sugar Company's shares, which will enable the company serve as the sole agent for crude sugar imports on behalf of Toyo Sugar. One of the advantages of Marubeni-Iida is its close relationship with the Fuji Bank, the largest in Japan. With the support of the Fuji Bank, the company has joined a key industrial group formed by leading industrial companies like Hitachi, Ltd., Showa Denko and Nissan Chemical, and has increased its transactions in electric machinery, chemicals, agricultural equipments and instruments for atomic energy generation. Marubeni-Iida has also concluded tieup contracts with leading foreign firms such as the Atomic Energy Corporation of Canada, G.E., and Lockheed. Under the contract with Lockheed Co., the company is privileged to serve as the sole agent for the imports of Lockheed aircraft and parts thereof.

As part of its positive business policy, Marubeni-Iida Co., Ltd. has sizable investments in many and various enterprises. Securities holdings of the company through

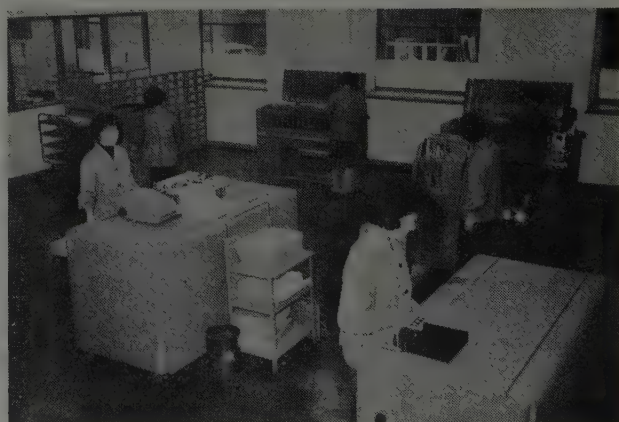
such investments totalled ¥4,842 million, its long-term loans stood at ¥550 million and its financial investments in minor enterprises reached 150 million, as of the end of September, 1959. Thus, the company is also one of major holding companies in Japanese business.

Through a series of capital expansions, the company has grown into a ¥5,000 million concern as of February 1, this year, as shown in the table, thus attaining the financial standing equal to Mitsubishi Shoji (¥5,000 million) and Mitsui Bussan (¥6,223 million). As C. Itoh Co. is expected to boost its capital to ¥5,400 million as of April 1, this year, however, a further capital increase by Marubeni-Iida is expected certain. As of the end of September, 1959 (when the company was capitalized at ¥3,200 million), Marubeni-Iida's balance sheet had the total liabilities of ¥84,372 million against the net worth of ¥7,088 million. Thus, the net worth against the total amount of capital used stood at about 8.0%. Such an unbalance in the capital composition (which is also the case with other trading firms) will be steadily rectified. The present capital of ¥5,000 million is also too small for the annual transactions well reaching ¥50,000 million. In these circumstances, the company is expected to continue increasing capital side by side with similar capital boosts by Mitsui Bussan and Mitsubishi Shoji. Such action will be facilitated through the expansion of trade transactions on the spur of trade liberalization.

Marubeni-Iida's Capital Expansion

(In million yen)

Date	Capital (paid-up)	Notes
December, 1949	150	Founded
June, 1951	300	Thru expansion
June, 1953	600	"
February, 1955	1,500	"
September, 1955	1,600	Thru merger
October, 1956	3,200	Thru expansion
February, 1960	5,000	"

Source: Compiled by *The Oriental Economist*.

Part of IBM Computer Room

Marubeni-Iida's Sales by Commodity

(Sales in million yen)

	April 1—Sept. 30, 1953			April 1—Sept. 30, 1955			April 1—Sept. 30, 1958			April 1—Sept. 30, 1959		
	Sales	%	Index	Sales	%	Index	Sales	%	Index	Sales	%	Index
Textiles & raw materials thereof . . .	49,393	80	100	57,993	67	117	91,217	56	185	105,262	51	213
Machinery, metals, minerals	4,183	7	100	10,588	12	253	28,465	18	680	44,430	21	1,062
Foodstuffs, oils & fats	6,311	10	100	12,918	15	205	25,920	16	411	33,125	17	525
Chemicals, sundries, etc.	2,153	3	100	5,252	6	244	17,355	10	806	23,278	11	1,081
Exports	10,975	18	100	16,691	19	152	22,818	14	208	29,826	15	272
Imports	17,485	28	100	33,067	38	139	39,687	24	227	49,501	24	283
Domestic business	33,580	54	100	36,993	43	110	99,449	61	296	124,181	60	370
Business bet. 3rd countries							1,003	1		2,587	1	
Total	62,040	100	100	86,751	100	140	162,957	100	263	206,095	100	332

Source: Compiled by *The Oriental Economist*.

1. Business Indices

Items	Units & Standards	1956 Ave.	1957 Ave.	1958 Ave.	1959						1958	
					July	Aug.	Sept.	Oct.	Nov.	Dec.	***	
Finance & Banking												
Treasury Acct. with the Public (1)	Fiscal Year * ¥100,000,000	1,634	2,597	2,510	266	601	99	1,243	1,118	1,110	1,199	
Bank of Japan Accounts (2) End of Year or Month												
Bank Note Issues	¥100,000,000	7,848	8,371	8,910	7,811	7,794	7,853	8,113	8,423	10,294	8,910	
Loans Total	"	1,399	5,519	3,793	3,519	4,139	4,175	3,388	2,431	3,379	3,793	
Government Bonds	"	5,867	3,872	5,360	3,891	3,107	3,066	4,327	5,395	6,448	5,360	
Postal Savings and Postal Transfer Savings (3) End of Year or Month	"	6,652	7,654	8,597	9,062	9,086	9,193	9,254	..	..	8,012
All Banks Account (2) End of Year or Month												
Deposits	"	47,642	55,048	64,840	66,891	67,339	69,394	69,245	71,053	74,136	64,840	
Loans	"	40,661	50,244	58,129	62,111	62,886	64,192	64,617	65,956	68,027	58,129	
Clearings of Bills (4)												
Number	1,000 bills	146,302	161,191	166,830	15,686	14,976	15,187	15,673	15,136	..	13,196	
Amount	¥100,000,000	401,110	511,711	569,394	46,080	45,410	50,410	49,062	45,215	..	43,643	
Interest Rate on Loan of All Banks (2)	Per Diem Rate for ¥100	2.311	2.304	2.333	2.212	2.209	2.207	2.209	2.209	..	2.274	
Stocks												
Average Share Price(Tokyo Stock Exchange) (5)												
Dow Jones**	Yen	485.33	535.57	571.97	832.30	863.12	893.43	934.99	948.98	923.78	648.44	
Simple Arithmetic Means	"	126.43	114.10	110.36	150.22	154.45	156.89	158.54	160.42	152.32	120.86	
Tokyo Stock Exchange (5)												
Total Turnovers	Million Stock	6,692	7,692	11,684	1,528	1,495	2,142	2,914	2,329	1,823	1,168	
Investment Yields	%	6.68	7.14	6.68	4.35	4.11	4.30	4.11	4.13	4.70	5.51	
Prices												
Bank of Japan Wholesale Price Indices (2)												
Total Average	1952=100	102.2	105.3	98.4	98.6	99.7	100.1	101.0	101.8	101.6	97.5	
Producer Goods	"	103.5	107.5	97.9	98.3	99.3	99.5	100.2	100.6	100.3	96.0	
Consumer Goods	"	100.4	102.2	99.3	99.1	100.3	100.9	102.1	103.4	103.4	99.6	
Consumers Price Indices (6)												
All City Average	1955=100	100.4	103.5	103.0	103.8	105.4	104.4	105.9	105.3	108.0	103.3	
Tokyo	"	101.0	103.9	104.9	105.3	107.1	106.5	107.8	107.0	103.4	106.5	
Tokyo Retail Price Indices (2)	1952=100	102.1	104.4	103.2	102.2	104.5	103.1	104.5	103.2	103.4	103.4	
Tokyo Living Cost Indices (7)	1946. 11=100	832.3	869.3	871.7	869.9	872.8	886.9	901.8	894.0	890.8	861.5	
Foreign Trade Price Indices (1)												
Exports	1953=100	96.4	97.4	90.7	90.0	90.8	91.2	91.8	91.9	..	89.2	
Imports	"	95.9	101.4	88.4	84.1	84.4	83.4	83.0	82.5	..	85.4	
Foreign Trade												
Exports & Imports (1)												
Exports	Million Dollars	2,501	2,853	2,876	300	301	283	345	293	395	303	
Imports	"	3,230	4,284	3,032	314	290	299	298	290	373	264	
Balance	"	729	1,426	156	14	11	16	48	3	22	39	
Foreign Trade Volume Indices (1)												
Exports	1953=100	207.9	231.5	240.4	295.8	293.6	278.9	332.1	286.2	..	238.7	
Imports	"	138.3	172.4	141.8	187.6	169.3	178.5	181.9	175.1	..	132.3	
Foreign Exchange Accounts (2)												
Total Receipts	Million Dollars	3,225	3,643	3,510	353	343	360	372	346	..	295	
Total Expenditure	"	2,931	4,175	2,999	299	361	309	307	318	..	234	
Balance	"	293	533	511	54	18	51	65	28	..	62	
Foreign Currency Reserve (1)	"	* 738	524	629	1,201	1,181	1,209	1,250	1,291	1,322	861	
Production & Inventories												
Producer Delivery Indices (8)												
All Industries	1955=100	123.3	143.3	144.2	179.6	179.2	186.0	189.9	191.9	..	147.4	
Mining & Manufacturing	"	122.4	144.5	144.8	181.0	181.0	188.4	191.7	194.3	..	147.9	
Manufacturing	"	123.5	146.4	147.0	186.2	186.9	194.0	197.4	200.8	..	150.3	
Raw Material Inventories Indices (8)	"	117.9	163.2	160.8	177.0	178.7	179.8	178.8	176.4	..	154.5	
Producer Goods Inventories Indices (8)												
Mining & Manufacturing	"	99.6	129.0	153.9	156.0	155.5	155.1	158.4	160.6	..	149.7	
Sellers Inventories Indices (8)	"	114.1	145.1	154.6	156.9	166.6	165.2	158.7	..	..	155.5
Construction Works Started (9)												
For Private Living	1,000 SM	21,021	22,413	23,194	2,483	2,268	2,219	2,076	..	..	2,043
Others	"	19,923	21,332	19,970	2,124	2,106	2,360	2,199	..	..	1,738
Order Received for Machinery (10)	¥100,000,000	6,647	3,017	4,783	681	529	746	671	..	..	341
Warehouse Inventories (8 Biggest Cities) (11)	1,000 tons	2,807	3,017	2,719	2,768	2,958	..	..	..	..	2,690
Railroad Carloadings (12)	"	169,769	179,992	167,047	14,709	14,468	14,825	15,726	15,595	..	15,385	
All Japan Department Store Sales (8)	¥million	258,899	309,950	338,370	38,667	27,026	23,231	32,579	33,786	16,346	29,507	
Labor, Household Budget												
Employment Indices (Regular Employees) (13)												
Manufacturing	1955=100	109.5	122.7	125.4	137.7	138.0	139.0	139.4	..	..	125.9
Employment Total (6)	10,000	4,172	4,284	4,312	4,489	4,425	4,367	4,548	4,456	..	4,389	
Agricultural Employment	"	1,645	1,607	1,547	1,625	1,603	1,610	1,757	1,611	..	1,582	
Non-Agricultural Employment	"	2,527	2,677	2,765	2,864	2,822	2,757	2,790	2,873	..	2,807	
Total Unemployment (6)	"	63	52	56	58	59	45	41	44	..	49	
Regular Employee Cash Wage Total (13) . .	"	..	..	..	..	..	..	..	..	..	..
Manufacturing	Monthly - yen	18,348	19,259	19,180	27,109	18,329	17,659	17,777	..	..	16,473
Regular Employees Real Wage Indices (13)	"	..	..	..	..	..	..	..	..	..	..
Manufacturing	"	108.9	109.3	112.8	158.2	105.4	99.8	101.7	..	..	95.7
Wage Earners Household Budget (All Cities) (6)												
Income	Monthly - yen	30,776	32,664	34,663	39,565	33,606	32,217	32,600	32,988	..	30,669	
Expenditure	"	27,543	28,946	30,638	33,838	30,442	28,670	30,836	30,575	..	29,901	
Consumer Standards (10)												
All Cities	1955 F.Y.=100	105.2	109.8	116.9	124.9	114.3	113.7	116.8	120.6	..	115.5	

Source: (1) Finance Ministry. (2) Bank of Japan. (3) Ministry of Postal Services. (4) Tokyo Clearing House. (5) Tokyo Stock Exchange. (6) Statistics Bureau, Prime Minister's Office. (7) The Oriental Economist. (8) Ministry of International Trade & Industry. (9) Ministry of Construction. (10) Economic Planning Agency. (11) Transportation Ministry. (12) Japanese National Railways. (13) Labor Ministry.

Notes: * End of 1955 & 1956 Fiscal year. ** New version of Dow-Jones average is in effect since January, 1959. For the continuity of indexes, however, The Oriental Economist carries the old version re-calculated and adjusted from the new version. *** Corresponding months a year ago. Δ Revised at source.

2. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1958				Fiscal 1959						Fiscal 1958
	July— Sept.	Oct.— Dec.	Jan.— Mar.	Total	Apr.— June	July— Sept.	Sept.	Oct.	Nov.	Dec.	Dec.
General Account											
Revenue											
Taxes	2,563	2,485	2,681	10,151	2,620	2,880	973	753	760	1,499	1,174
Monopoly	314	211	246	1,176	396	344	102	64	63	89	114
Others	83	115	105	459	193	105	34	38	▲36	44	43
Total	2,960	2,811	3,032	11,786	3,329	3,329	1,109	855	▲859	1,641	1,331
Expenditure											
Security Forces	150	126	124	506	103	116	47	51	21	35	41
Defense Agency	207	354	254	1,159	395	231	82	88	▲83	219	191
Public Works Expenditure	203	345	312	1,175	230	235	66	68	47	300	184
Local Finance Equalization Grants	614	613	282	2,566	1,171	724	619	92	495	61	38
Compulsory Education Expenditure	194	288	228	952	261	192	60	62	▲62	221	171
Others	977	1,367	925	4,397	1,137	913	295	383	▲362	637	624
Total	2,345	3,093	2,125	10,755	3,297	2,411	1,169	744	▲1,070	1,473	1,249
Balance	615	▲ 282	907	1,031	▲ 88	918	▲ 60	111	▲ 211	168	82
Special Accounts and Others											
Foodstuff Control	▲ 329	▲ 1,411	804	64	953	▲ 445	23	872	555	35	299
Trust Funds Bureau	67	295	147	504	214	32	47	172	116	116	356
Industrial Investment	52	19	90	43	44	30	53	26	15	15	3
Road Improvement	—	—	—	—	187	161	47	71	▲ 57	162	143
National Railways and Nippon Tele- graph & Tel. Public Corporation	116	236	316	123	97	181	64	37	25	392	393
Finance Corporation	288	399	310	1,295	310	255	125	92	102	222	197
Others	136	156	275	64	147	356	79	7	▲ 119	9	62
Total	246	2,516	1,142	1,591	46	262	94	1,203	701	1,161	1,070
Adjustment Items	▲ 28	26	52	15	118	▲ 8	13	41	31	12	24
Foreign Exchange	572	686	350	1,935	473	411	120	192	174	129	235
Balance	231	3,456	1,751	2,510	725	237	99	▲ 1,243	▲ 1,117	1,110	1,199

3. Monthly Report of All Banks

(October 1959 Excluding Bank of Japan)
(In million yen)

(Bank of Japan)

	All Banks						Leftover from Pre. mo. (86)	Month-end, previous year (87)	Trust Account (16)
	Debenture Issuing Banks (3)	City Banks (13)	Local Banks (64)	Trust Banks (6)	Total (86)				
Deposits									
Current Deposits	20,238	765,596	195,366	51,375	1,032,578	1,056,238	1,193,107	—	
Ordinary Deposits	9,822	671,400	421,696	25,666	1,128,585	1,122,114	1,002,917	—	
Deposits at Notice	37,170	329,452	96,599	47,625	510,848	520,103	425,307	—	
Time Deposits	15,835	2,295,501	1,301,667	80,620	3,693,624	3,662,306	3,002,450	—	
Special Deposits	4,202	162,273	52,556	9,000	228,031	255,850	195,802	—	
Installment Savings	—	48,037	132,360	3,284	183,683	181,144	168,799	—	
Deposits for Tax Payment	231	12,978	3,259	310	16,779	15,703	8,724	—	
Deposits of Gov't and Gov't Agencies	511	128,971	—	—	129,482	124,910	107,222	—	* 240,311
Other Deposits	67	887	—	—	954	1,126	795	—	** 335,704
Total	88,079	4,418,099	2,203,506	217,882	6,924,568	6,939,498	6,105,126	—	
Borrowed Money	15,794	425,168	5,769	6,732	453,463	488,165	450,409	—	
Due to the Bank of Japan Only	2,751	292,845	3,557	1,536	300,691	379,383	387,482	—	
Borrowings for Settlement of Import Bills	278	26,013	88	5	26,686	28,684	37,228	—	
Call Money	520	231,985	18,618	11,149	262,272	200,622	243,443	—	
Cash and Deposits									
Cash in Hand	16,425	666,764	139,855	34,104	857,149	909,630	1,033,142	2,942	
Deposits with Domestic Money Organs	1,936	22,803	27,669	4,917	57,326	57,170	26,445	4,282	
Call Loans	9,832	3,665	82,368	5,627	101,492	90,809	78,837	84,093	
Securities									
Government Bonds	2,015	34,115	8,783	438	45,353	45,544	48,385	25	
Local Government Bonds	3,908	54,747	30,543	274	89,473	88,804	84,869	1,848	
Foreign Bonds	12	1,736	—	1,749	—	—	2,710	—	
Corporate Debentures	32,467	484,328	320,295	16,239	853,331	838,869	649,260	6,123	
Stocks	15,490	106,681	35,404	7,185	164,761	160,057	137,811	6,743	
Other Bonds	324	653	1,505	4,572	7,100	8,380	4,402	28	
Total	54,218	682,263	396,576	28,710	1,161,769	1,143,407	927,440	14,769	
Advance									
Discount Bills	15,495	1,383,628	521,484	100,580	2,021,188	1,989,984	1,662,275	12,964	
Bank Acceptance Bills	—	1,150	12,708	6	13,865	14,766	—	—	
Commercial Bills	15,495	1,381,355	506,905	100,569	2,004,326	1,972,985	1,641,420	—	
Documentary Bills	—	1,121	1,869	4	2,996	2,232	2,545	—	
Advances against Guarantee	702,550	2,364,961	1,234,703	94,382	4,396,598	4,387,749	3,819,547	529,622	
Loans on Bills	57,120	2,296,928	1,175,873	91,805	3,621,727	3,622,377	3,194,547	134,130	
Loans on Deeds	645,393	28,107	43,444	1,771	718,717	706,598	577,187	142,529	
Overdrafts	36	39,926	15,385	805	56,152	55,673	47,939	—	
Loans for Settlement of Import Bills	835	41,911	860	389	43,997	44,512	59,824	—	
Total	718,881	3,790,501	1,757,047	195,353	6,461,783	6,419,246	5,541,775	542,587	

Note : * Money in trust total. ** Loan trust. Figures in parentheses denote the number of banks surveyed.

4. Bank of Japan Ten-day Report

(In million yen)
(Bank of Japan)

Items	1959			1958
	Dec. 10	Dec. 20	Dec. 31	Dec. 31
LIABILITIES				
Bank Notes Issued	843,682	986,754	1,029,466	891,042
Bankers' Deposits	28,891	47,360	36,838	2,579
Government Deposits	38,092	52,444	52,405	62,628
Other Deposits	12,455	12,290	12,406	12,294
Reserves Against Contingencies	46,028	46,028	46,028	40,809
Other Liabilities	37,611	42,377	40,639	58,190
Capital Stock	100	100	100	100
Reserve Funds	27,115	27,115	27,115	23,527
Total	1,033,977	1,214,471	1,245,001	1,091,173
ASSETS				
Bullion	25,521	25,521	25,521	447
Cash	7,386	6,412	2,990	3,379
Discounted Bills	58,336	65,421	62,724	50,341
Loans	250,727	333,146	275,199	229,030
Foreign Exchange Loans	—	—	—	—
Loans to Gov't	—	—	—	—
Government Bonds	454,560	541,811	644,843	536,005
Foreign Ex. Accounts	197,064	199,299	199,321	120,873
Agencies Accounts	13,950	15,909	7,442	8,044
Other Assets	26,430	26,948	26,958	43,052
Total	1,033,977	1,214,471	1,245,001	1,091,173

5. Outstanding Loans to Industries by All Banks

(In million yen)
(Bank of Japan)

End of Month	September 1959			October 1959		
	Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
Manufacturing total	3,098,539	437,727	808,544	3,168,895	460,404	833,597
Foodstuffs	243,803	14,845	114,701	259,032	15,875	123,141
Textiles	639,054	60,297	212,472	644,167	62,691	221,508
Wood and Wood Products	115,536	3,689	96,881	117,724	3,922	98,415
Paper & Related Products	181,792	37,579	28,953	187,085	39,039	29,199
Printing & Publishing	61,468	6,385	22,124	63,052	6,705	22,476
Chemicals	392,305	92,596	42,702	396,370	96,697	42,371
Glass & Ceramics	113,490	21,012	21,714	117,186	22,152	22,235
Iron & Steel	337,154	85,843	26,919	335,404	89,765	27,365
Non-ferrous Metals	89,897	11,792	16,600	95,320	12,400	17,194
Machinery	156,907	11,287	67,280	161,573	12,025	68,203
Electric Machinery & Tools	243,877	33,697	27,654	256,560	36,351	28,156
Trans. Machinery & Tools	220,866	21,895	27,361	225,566	23,181	26,722
Agriculture	18,338	824	18,041	16,024	818	15,750
Forestry & Hunting	13,009	77	10,556	13,168	80	10,570
Fishery	78,536	23,408	23,047	76,924	23,285	22,958
Mining	144,265	33,634	15,968	150,180	34,396	16,005
Metal Mining	34,497	8,966	1,090	36,609	9,143	1,094
Coal Mining	91,337	18,445	9,379	94,539	18,826	9,392
Construction	156,225	4,807	62,922	163,743	5,197	66,267
Wholesale & Retail	1,873,586	29,145	897,180	1,948,200	31,104	920,244
Wholesale	1,689,722	16,027	768,529	1,759,120	17,227	788,043
Retail	183,864	13,118	128,651	189,079	13,877	132,200
Finance Insurance	100,930	217	12,644	104,463	218	12,345
Real Estate	46,536	15,965	19,566	47,730	16,427	20,093
Trans. & Communications	322,701	160,655	36,283	331,352	166,020	36,289
Railways	61,837	23,062	253	64,852	24,557	301
Shipping	159,063	109,814	13,468	161,593	112,300	49,292
Public Utilities	257,990	242,899	302	257,445	242,548	294
Services	129,804	38,124	38,173	223,953	40,939	86,103
Local Public Corporation	39,366	12,735	—	38,308	12,594	—
Others	83,733	5,601	83733	87,100	5,997	87,100
Total	6,363,564	1,005,826	2,071,963	6,537,940	1,040,034	2,127,622

6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)
1959: July . .	2.30	2.30	161,147	2.30	2.30	43,047
Aug . .	2.30	2.30	147,850	2.30	2.30	39,821
Sept. . .	2.30	2.30	150,306	2.30	2.30	37,456
Oct. . .	2.30	2.30	205,999	2.30	2.30	45,792
Nov. . .	2.30	2.30	247,674	2.30	2.30	57,056
Dec. . .	2.30	2.30	214,165	2.30	2.30	54,259
1958: Dec. . .	2.30	2.35	122,157	2.30	2.45	29,105

7. Postal Savings & Postal Transfer Savings

(In million)
(Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1959: May . . .	63,136	62,933	852,989	9,718	862,707
June . . .	75,607	58,510	870,086	8,354	878,400
July . . .	92,911	66,039	896,958	9,220	906,178
Aug. . . .	63,723	59,883	900,847	7,713	908,560
Sept. . . .	64,165	61,987	903,024	16,294	913,319
Oct. . . .	84,352	71,310	916,067	9,336	925,403
1958: Oct. . . .	68,536	60,662	790,196	10,966	801,163

8. Bank Clearings

(In billion yen)
(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1959: Mar. . .	(1,000)	5,181	(1,000)	2,465	(1,000)	1,087
Apr. . .	14,804	4,741	5,953	2,256	3,013	1,013
May . .	14,452	4,311	5,744	2,052	2,923	929
June . .	16,781	4,796	5,558	2,276	2,959	1,043
July . .	15,686	4,608	6,601	3,169	3,396	993
Aug. . .	14,976	4,541	6,372	2,187	3,110	978
Sept. . .	15,187	5,041	5,932	2,146	3,129	1,017
Oct. . .	15,673	4,906	6,047	2,468	1,012	1,012
Nov. . .	15,136	4,522	6,304	2,376	923	923
1958: Nov. . .	13,196	4,364	6,038	2,186	979	979

9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Local Gov't Bonds	Financial Debenture		Industrial Debenture
			Interest Bearing	Discount	
1959: Mar. . . .	—	7.712	7.621	6.643	7.916
Apr. . . .	—	7.720	7.621	6.643	7.891
May	6.324	7.693	7.621	6.643	7.893
June	—	7.720	7.621	6.643	7.894
July	—	7.720	7.621	6.643	7.900
Aug. . . .	6.324	7.720	7.621	6.643	7.909
Sept. . . .	—	7.720	7.621	6.643	7.905
Oct. . . .	—	7.709	7.621	6.643	7.902
Nov. . . .	—	7.691	7.621	6.643	7.913
1958: Nov. . . .	—	7.673	7.621	6.643	7.914

Note: Table 6: How to Compute Per Diem Interest: In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in vogue in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate, multiply the latter by 365. For example, a per diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

10. Government Bonds

(In million yen)

(Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes			Outstanding Amounts of Corporate Debentures
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	
1959: July	703	199	400,514	132,445	133,886	184,589	53,023	603	250,023	..
Aug.	723	176	401,060	72,000	75,589	181,000	157,032	213,895	193,160	..
Sept.	69,306	13,814	456,552	131,000	139,994	172,006	66,005	62,113	197,052	..
Oct.	605	1,119	456,038	84,002	47,006	209,002	258,015	148,886	306,181	..
Nov.	389	431	455,996	153,000	133,000	229,000	133,005	58,166	381,020	..
1958: Nov.	1,639	1,659	404,910	58,000	52,004	135,000	119,000	53,012	280,023	..

11. Corporate Debentures & Public Corporation Bonds

(In million yen)

(Industrial Bank of Japan)

End of Month	Banking Bonds			Corporate Debentures			Total			Public Corporation Bonds		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1959: June	26,041	11,480	721,325	15,365	2,720	469,020	45,793	14,221	1,411,622	4,386	20	221,283
July	27,283	12,740	735,868	14,360	3,073	480,311	47,965	15,960	1,443,623	6,322	146	227,459
Aug.	28,483	13,698	750,653	13,770	3,411	490,697	48,710	17,482	1,474,845	6,456	372	233,544
Sept.	31,955	15,634	766,974	16,100	4,984	501,795	54,836	21,329	1,508,383	6,780	710	239,613
Oct.	35,899	17,497	785,376	15,745	4,025	513,531	58,498	21,947	1,544,951	6,853	424	246,043
Nov.	34,912	17,380	802,908	17,957	4,526	526,562	59,436	22,214	1,582,173	6,567	307	252,302
1958: Nov.	25,222	9,124	617,165	11,365	3,336	386,193	36,587	12,460	1,195,807	4,876	270	192,448

12. Contracts & Investments of Mutual Life Insurance Companies

(In million yen)

(Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1959: July	208,543	4,783,991	301,311	8,430	124,514	6,891	113,038	41,749	3,185	7,111
August	138,767	4,851,422	310,461	6,367	126,174	9,873	114,430	42,678	3,372	7,018
September	201,397	4,952,570	317,091	3,679	130,533	10,094	118,567	43,754	4,968	8,096
October	193,884	5,021,068	324,015	7,115	132,214	10,423	119,911	44,683	3,692	7,229
1958: October	136,319	4,054,082	232,383	5,961	113,925	8,433	103,607	36,323	2,884	5,985

13. Contracts & Investments of Non-Life Insurance Companies

(In million yen)

(Non-Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Deposits	Cash	Asset Total (Inc. Others)
					Total	Debentures	Stocks				
1959: July	1,921,621	11,601,863	22,658	3,900	67,125	3,576	58,753	17,533	33,334	550	160,359
Aug.	1,922,767	11,730,147	22,951	3,669	68,113	3,917	59,367	17,714	30,188	460	161,721
Sept.	2,006,339	11,882,734	22,960	2,589	68,961	4,105	60,235	17,901	32,753	555	164,366
Oct.	2,217,343	12,060,697	23,504	4,800	69,758	4,097	60,979	18,074	30,713	458	167,113
1958: Oct.	2,005,240	10,479,198	21,415	4,011	59,972	2,247	54,060	17,081	26,572	507	148,518

14. Stock Issue Plan & Paid-Up Capital

(In million yen)

(Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million			Under ¥50 million			Over ¥50 million			Under ¥50 million		
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1959: May	24	8,910	325	4,580	349	13,490	14	5,987	312	6,212	326	12,199
June	33	26,643	395	11,353	428	37,995	27	11,067	356	8,594	383	19,661
July	28	30,317	391	10,253	419	40,570	28	18,081	391	7,044	419	25,125
August	43	16,630	346	8,150	389	24,780	29	14,998	333	10,000	362	24,998
September	41	37,032	390	11,031	431	48,063	22	10,156	344	8,663	366	18,819
October	39	27,168	356	10,168	395	37,336	59	45,736	388	13,653	447	59,389
1958: October	23	13,960	302	6,697	326	20,657	34	35,190	356	7,482	390	42,672

15. Tokyo Wholesale Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Metal & Machinery	Textiles	Agricultural Products	Fuels	Building Materials	Chemical Products	Sundries	By Uses		
									Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1959: August	99.7	100.2	77.8	107.0	103.7	128.5	78.2	91.1	99.3	113.1	100.3
Sept.	100.1	100.8	78.0	107.4	103.8	130.3	78.4	90.7	99.5	113.9	100.9
Oct.	101.0	100.9	79.2	108.2	104.2	134.2	78.7	90.1	100.2	115.4	102.1
Nov.	101.8	101.2	80.2	108.5	108.4	133.7	79.0	90.9	100.6	115.5	103.4
Dec.	101.6	100.9	78.8	108.5	108.9	133.3	79.5	91.6	100.3	115.2	103.4
1958: Dec.	97.5	96.4	71.0	106.4	108.7	126.7	78.4	86.8	96.0	110.2	99.2

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bond and Telephone & Telegraph Corporation Bonds. ▲ Revised at source.

16. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1959: July	102.2	111.1	82.3	93.8	104.8	121.4	96.5	99.9	30,709.5
August	104.5	115.4	82.3	93.3	104.8	121.4	96.7	99.9	31,400.6
September	103.1	112.0	83.3	95.3	104.8	121.4	97.1	100.2	30,979.9
October	104.5	114.1	84.6	95.2	105.1	122.8	97.3	100.8	31,400.6
November	103.2	111.5	84.7	95.2	105.3	124.2	97.2	101.3	31,009.9
December	103.4	111.2	84.7	95.2	105.8	127.6	98.9	101.5	31,070.0
1958: December	103.4	113.5	81.7	94.2	105.3	121.0	96.2	99.9	31,070.0

17. Consumer Price Indices

(1955=100)

(Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Housing	Light & Fuel	Clothing	Miscellaneous
All Cities	1959: June	103.7	101.0	101.0	100.9	120.5	105.0	94.9	109.1
	July	103.8	101.2	101.0	101.3	120.8	104.7	94.8	109.2
	August	105.4	104.3	100.9	106.4	121.2	104.7	94.7	109.3
	September	104.4	102.1	101.0	102.8	122.1	105.4	95.8	108.6
	October	105.9	104.3	101.2	106.1	123.7	106.5	97.7	108.8
	November	105.3	102.7	100.7	103.8	124.4	108.4	98.3	108.9
Tokyo	1958: November	103.3	101.8	100.6	102.4	116.9	107.3	97.2	105.5
	1959: June	105.1	102.0	104.6	100.8	126.3	101.5	97.1	109.6
	July	105.3	102.7	104.6	101.8	126.3	101.3	97.0	109.2
	August	107.1	106.4	104.4	107.3	126.6	101.1	97.6	109.1
	September	106.5	104.8	104.5	104.9	127.7	101.1	99.5	108.8
	October	107.8	106.4	104.5	107.2	128.5	101.7	102.4	109.7
	November	107.9	105.6	104.6	106.1	129.5	103.4	104.5	109.1
	December	108.0	105.1	104.3	105.4	130.3	104.0	105.1	109.9
	1958: December	106.5	105.9	105.7	106.0	120.8	103.8	100.3	107.5

18. Labor Population Survey

(In 10,000)

(Labor Ministry)

Year & Month	Total Population	Population 15 years old and over							Agriculture & Forestry		Non-Agricultural Industry	
		Labor Force						Total	Not at Work	At Work	Total	At Work
		Total	Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed	Not in Labor Force					
1959: June	9,275	6,459	4,539	1,766	2,772	59	1,856	16	1,750	30	2,742	2,742
July	9,283	6,468	4,489	1,625	2,864	58	1,912	21	1,604	42	2,822	2,822
Aug.	9,289	6,478	4,425	1,603	2,822	59	1,985	22	1,581	43	2,779	2,779
Sept.	9,297	6,488	4,367	1,610	2,757	45	1,969	19	1,589	33	2,725	2,725
Oct.	9,305	6,498	4,548	1,757	2,790	41	1,904	17	1,740	30	2,760	2,760
Nov.	9,311	6,506	4,456	1,611	2,843	44	1,999	..	..	..	..	..
1958: Nov.	9,216	6,360	4,389	1,583	2,807	49	1,916	18	1,565	25	2,781	2,781

19. Labor Disputes & No. of Participants

(1,000 Participants)

(Labor Ministry)

Year & Month	Dispute Total		Accompanied by Disputes								Business Control	
	No. of Cases	No. of Participants	Total		Strikes		Work Slowdown		Business Control		No. of Cases	No. of Participants
			No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants		
1959: May	280	(121)	155	222	136	196	34	46	1	60	1	60
June	189	(75)	79	30	73	17	18	1	1	60	1	60
July	278	(180)	161	186	117	85	62	128	2	100	2	100
August	294	(142)	144	183	117	158	34	31	2	107	2	107
September	214	(85)	81	165	65	124	23	43	2	77	2	77
October	173	(70)	88	72	48	21	46	65	2	77	2	77
November	206	(83)	94	199	63	99	41	132	1	30	1	30
1958: November	251	(108)	118	375	51	53	70	322	—	—	—	—

20. Mining-Manufacturing Indices

(1955=100)

(Statistics Bureau, MITI)

Year & Month	Composite	Public Utilities	Mining-Manufacturing	Mining	Manufacturing	Iron & Steel	Non-ferrous Metals	Machinery	Ceramics	Chemicals	Oil & Coal	Rubber	Hides & Leathers	Paper & Pulp	Textiles
1959: April	167.3	152.5	168.4	109.7	173.3	158.7	169.5	279.1	149.0	184.2	190.7	185.1	125.4	152.0	131.9
May	172.8	156.7	174.0	117.8	178.7	173.5	173.6	295.3	159.3	174.9	198.6	188.0	128.8	158.2	131.4
June	178.1	149.9	180.3	119.3	185.4	174.9	173.1	318.1	155.6	174.0	198.4	190.9	127.2	159.1	138.3
July	179.6	161.6	181.0	119.3	186.2	180.0	175.3	313.6	158.1	172.3	190.5	200.4	126.0	166.1	141.1
Aug.	179.2	155.6	181.0	111.1	186.9	177.6	172.7	318.7	160.2	173.0	212.2	192.0	124.9	164.3	136.6
Sept.	186.0	154.7	188.4	120.9	194.0	180.5	176.4	342.1	165.1	177.3	200.7	206.6	131.9	167.7	151.2
Oct.	▲189.6	163.1	▲191.7	▲123.6	▲197.4	▲192.9	▲183.9	▲348.5	174.3	▲177.6	▲230.1	▲214.1	▲133.2	▲174.4	▲144.6
Nov.	191.9	161.1	194.3	116.3	200.8	190.7	179.6	354.5	179.0	180.0	233.6	211.5	122.5	173.2	153.3
1958: Nov.	147.4	140.4	147.9	119.1	150.3	137.2	138.1	232.9	145.9	147.3	176.3	157.3	123.4	132.1	121.9

Notes: * except perishable vegetables. Figures in parentheses in Table 19 are not in 1,000. Figures in parentheses in Table 20 are the numbers of companies surveyed. ▲ Revised. ¹⁾ 15 years and over.

21. Production by Major Items

Items	In	1959			Items	In	1959		
		September	October	November			September	October	November
Energies									
Electricity	Mil. KWH	6,964	7,323	7,182	Thrasher	Units	31,144	27,124	12,226
Coal	1,000 Tons	4,080	4,160	3,827	Hulling Machine	"	7,739	6,913	4,915
Cokes	Tons	862,068	915,878	916,964	Rice-Wheat Cleaning Machine	"	9,079	9,895	10,913
Gas (city use)	1,000 CM	265,640	295,946	324,916	Alternating Current Motor	KW	354,925	289,238	346,290
Crude Oil	KI	39,065	42,514	42,265	Mercury Rectifier	"	24,487	19,817	30,762
Natural Gas	1,000 CM	42,414	41,622	45,953	Transformer	1,000 KVA	2,219	1,006	1,201
Gasoline	KI	398,543	463,677	482,351	Electric Fan	Units	110,122	105,611	97,302
Petroleum	"	933,946	1,105,962	1,113,213	Electric Washer	"	99,228	98,437	100,666
Lubricants	"	43,201	46,722	52,178	Electric Refrigerator	"	42,979	57,067	56,197
Kerosene	"	117,842	150,822	148,538	Telephone	"	85,221	94,183	84,045
Light Oil	"	138,515	160,319	172,603	Automatic Switchboard . .	Circuits	49,582	57,517	64,578
Minerals					Radio Set	1,000 Sets	1,008	1,142	1,165
Gold Ores	KG	691	676	680	Television Set	Sets	266,572	283,736	290,138
Silver Ores	"	18,504	17,237	17,920	Electric Tube for Receiving	1,000 Pcs.	11,288	12,098	11,961
Copper Ores	Tons	7,240	7,354	7,082	Industrial Meter	Units	10,967	10,889	10,786
Lead Ores	"	2,951	2,914	2,885	Electric Bulb	1,000 Pcs.	14,143	13,986	11,963
Zinc Ores	"	11,754	12,123	11,985	Special Electric Bulb . . .	"	8,100	8,798	9,018
Sulphuric Iron	1,000 Tons	290	295	293	Passenger Car	Units	6,443	7,218	7,229
Iron Ores	Tons	130,074	119,367	109,796	Bus	"	482	649	670
Sulphur	"	18,816	20,382	19,931	Small Four-wheeler Chassis	"	11,671	12,881	12,224
Lime Stone	1,000 Tons	2,743	2,941	2,863	Truck Chassis	"	3,842	3,500	4,275
Non-ferrous Metals					Three-wheel Truck	"	13,004	16,201	16,884
Electric Gold	KG	893	709	768	Motorcycle	"	12,561	13,456	13,000
Electric Silver	"	26,304	24,553	22,719	Bicycle	"	240,043	231,877	226,126
Electric Copper	Tons	17,088	17,180	15,591	Watch	1,000 Pcs.	927	906	919
Lead	"	4,841	4,230	4,168	Camera	Pcs.	176,900	173,245	169,000
Zinc	"	13,728	13,455	12,369	Binoculars	"	125,776	126,170	110,000
Electric Tin	KG	153,797	75,713	38,365	Textiles				
Quick Silver	"	54,355	66,922	57,940	Rayon Yarn	Tons	927	906	919
Aluminium	Tons	8,708	8,581	8,549	Rayon Staple	"	176,900	173,245	169,000
Rolled Aluminium	"	8,467	8,746	9,350	Synthetic Textile	"	125,776	126,170	110,000
Rolled Copper	"	6,120	18,713	18,888	Vinylon	"	1,461	1,506	1,575
Electric Cables	"	14,106	17,492	17,550	Nylon	"	2,777	2,414	2,862
Iron & Steel					Cotton Yarn	"	44,663	41,314	44,860
Pig Iron	Tons	804,500	887,414	900,682	Woollen Yarn	"	10,983	10,860	10,937
Ferro-alloys	"	33,871	36,443	29,338	Best Fibre Yarn	"	4,570	4,950	4,987
Steel	"	1,456,738	1,575,000	1,580,380	Rayon Staple Yarn	"	18,731	17,782	17,524
Open Hearth Steel	"	1,072,930	1,151,192	1,147,425	Synthetic Fibre Yarn	"	5,240	5,599	6,505
Converter Steel	"	114,285	141,149	136,654	Cotton Textile	1,000 sq. m.	240,993	222,042	244,798
Electric Furnace Steel	"	269,523	282,660	296,301	Woollen Textile	"	24,404	21,621	25,690
Forged Steel	"	14,102	15,800	14,863	Silk Textile	"	20,459	21,201	21,554
Cast Steel	"	24,791	25,502	25,655	Best Fibre Textile	"	7,383	7,288	7,993
Hot Rolled Steel Materials	"	1,105,769	1,195,339	1,177,441	Rayon Textile	"	62,456	63,536	67,384
Steel Shape (medium)	"	30,465	35,092	33,186	Rayon Staple Textile	"	81,232	75,202	81,357
Steel Bars (small)	"	12,594	16,535	12,498	Synthetic Fibre Textile	"	21,676	22,001	24,113
Wire Rod	"	76,621	85,000	79,469	Paper & Pulp				
Steel Sheet (thick)	"	228,150	229,434	218,880	Pulp	Tons	259,126	271,186	273,070
Steel Sheet (thin)	"	59,483	63,329	58,039	Western-Style Paper	"	187,365	193,815	189,619
Steel Band (wire)	"	196,940	235,599	250,036	Hard Board	"	111,806	122,072	124,364
Rolled Special Steel Materials	"	73,227	74,291	80,556	Chemicals				
Steel Tube	"	81,986	86,192	86,198	Ammonium Sulphate	Tons	200,551	192,879	192,937
Cold Rolled Steel Sheet	"	112,277	117,142	121,388	Superphosphate of Lime	"	146,114	156,160	142,584
Galvanized Steel Sheet	"	71,362	78,370	69,571	Carbide	"	77,115	84,847	62,983
White Sheet	"	26,952	36,455	86,353	Chemical Fertilizer	"	156,401	161,001	149,780
Machinery & Machine Tools					Calcium Cyanamide	"	27,677	29,743	27,765
Steam Boiler	T/H	1,088	1,008	487	Urea	"	35,383	44,632	46,467
Steam Turbine	KW	75,000	74,800	179,000	Sulphuric Acid	"	345,718	351,319	351,013
Water Turbine	"	162,020	23,320	131,100	Caustic Soda	"	62,965	68,189	69,584
Gasoline Engine	"	67,136	61,953	60,055	Soda Ash	"	38,158	40,555	39,430
Oil Burners	"	34,408	36,920	32,265	Soap	"	32,678	31,622	31,800
Diesel Engines	"	66,878	73,822	79,783	Paint	"	24,798	25,598	25,500
Bearings	Tons	1,943	1,921	2,015	Film	1,000 sq. m.	959	968	944
Transmitter	"	953	954	810	Cement & Ceramics				
Machine Tools	"	3,125	2,751	2,768	Cement	1,000 Tons	1,512	1,660	1,650
Rolling Machine	"	7,712	9,679	7,649	Sheet Glass	1,000 Boxes	861	974	995
Crane	"	1,804	1,916	1,985	Porcelain & Ceramics	Tons	54,572	45,764	55,744
Winches	"	1,234	1,173	1,160	Glass Products	"	36,803	37,104	38,823
Conveyor	"	3,178	2,721	2,090	Fire Brick	"	101,509	103,119	114,000
Pump	"	2,665	2,980	2,660	Miscellaneous				
Refrigerator	"	956	851	634	Automobile Tire	Tons	4,830	4,874	4,914
Spinning Machine	Units	931	938	914	Leather	"	6,425	6,591	6,450
Weaving Machine	"	3,106	3,133	3,155	Match	Match tons	37,256	39,710	38,687
Sewing Machine	1,000 Units	227	190	230	Pencil	1,000 Gross	637	662	650
Cultivator	Units	6,498	6,744	5,733	Metal Toy	1,000 Dz.	1,427	1,035	1,477
Hand Tractor	"	9,413	9,596	9,321					

Note: ▲ Provisional figures. ▲ Revised.

22. Machinery Orders (In million yen)

(Economic Planning Board)

Items	1959							1958
	April	May	June	July	Aug.	Sept.	Oct.	Oct.
By Products								
Prime Movers	7,279	6,234	8,584	4,419	8,187	9,727	4,607	3,895
Heavy Electric Machinery	11,059	10,674	11,930	12,131	12,379	17,330	15,127	6,573
Communication Apparatus	5,180	2,558	5,239	4,088	4,283	5,622	4,623	2,906
Industrial Machinery	21,408	20,656	20,853	25,576	23,276	27,067	24,658	10,989
Machine Tools	1,885	1,577	2,151	2,158	2,329	2,951	3,353	1,250
Rolling Stocks	886	2,551	2,019	11,825	2,495	1,578	2,450	1,137
Ships	2,193	4,962	3,200	11,505	4,623	16,049	16,549	9,656
Total of the Above	49,840	49,212	53,976	71,702	57,552	80,324	71,367	36,406
Iron & Steel Frames	2,373	1,928	1,402	1,905	1,624	2,293	1,544	2,053
Bearings	1,797	2,143	2,192	2,369	2,580	2,247	2,303	1,349
Electric Wires & Cables	7,340	7,498	7,887	7,500	7,500	9,593	11,929	6,770
Total	11,510	11,569	11,481	11,774	11,704	14,133	15,776	10,172
By Customers								
Foreign Sources	2,431	6,422	2,121	7,949	6,188	11,355	10,110	11,980
Government	7,183	3,715	7,112	15,635	7,716	8,115	7,388	4,029
Private	34,921	33,070	38,576	41,937	36,486	52,270	46,106	16,556
Manufacturing	21,134	19,397	19,136	24,644	23,572	30,443	22,772	8,716
Textiles	2,714	2,206	2,005	4,574	3,636	3,577	2,435	1,459
Chemicals	6,946	5,936	6,558	6,841	7,118	9,229	6,577	2,337
Iron & Steel	6,845	6,180	4,428	7,815	6,145	11,557	6,117	1,828
Machinery	2,238	2,002	3,027	2,871	4,112	3,812	4,328	1,173
Shipbuilding	345	218	270	270	255	207	220	343
Others	2,046	2,855	2,848	2,373	2,306	2,016	3,115	1,576
Non-Manufacturing	13,787	13,673	19,440	17,293	12,914	21,827	23,334	7,840
Transportation	2,212	2,646	3,113	4,548	2,609	9,545	11,523	1,368
Electric Power	4,482	3,546	8,553	3,497	3,569	5,133	4,440	3,128
Coal Mining	503	665	1,150	691	740	654	545	530
Agriculture, Forestry, Fishery	2,207	1,731	1,720	1,599	2,001	2,329	2,376	78
Others	4,383	5,085	4,904	4,958	3,995	4,166	4,450	2,736
Sales Agents	2,376	2,305	2,511	2,535	2,487	2,849	3,522	1,566
Total Orders	46,911	44,901	50,321	68,056	52,877	74,589	67,126	34,131
Orders Outstanding	714,562	709,487	702,898	721,730	722,563	733,492	746,393	704,981
Sales Total	43,202	54,920	60,010	50,865	53,446	65,990	64,258	67,003

23. Total Power Generation & Consumption (10⁶ KWH)

(MITI)

Items	1957 Total	1959						1958
		Apr.	May	June	July	Aug.	Sept.	Sept.
Total Power Generation	83,103	7,800	8,055	7,743	8,319	7,992	..	6,919
Hydraulic Power	58,125	6,274	6,355	5,168	6,075	5,562	..	5,363
Thermal Power	24,978	1,526	1,700	2,575	2,244	2,430	..	1,556
Generation by Electric Industries	72,517	6,799	7,018	6,727	7,281	7,023	..	6,019
Hydraulic Power	52,749	5,719	5,787	4,659	5,526	5,084	..	4,884
Thermal Power	19,768	1,080	1,231	2,068	1,755	1,939	..	1,135
Generation by Power Companies	65,433	6,004	6,151	6,051	6,457	▲6,224	6,964	5,282
Hydraulic Power	46,220	4,945	4,940	4,051	4,767	▲4,353	3,967	4,174
Thermal Power	19,215	1,059	1,211	2,000	1,690	▲1,871	2,302	1,108
Power from other Sources	7,130	803	885	685	825	791	695	761
National Railways & Household Use	10,330	1,001	1,037	1,015	1,038	969	..	900
Hydraulic Power	5,282	555	568	508	549	478	..	480
Thermal Power	5,048	446	469	507	489	491	..	420

24. Coal Supply & Demand (1,000 metric tons)

(1,000 metric tons)

(MITI)

Year & Month	Production	Stock Deliveries			Deliveries			Others	Home Consumption	Month-end Stocks		
		Coal Dealers	Large User Factories	Adjustment	Total	Deliveries	of which Exports			Total	Coal Dealers	Large User Factories
1959: June	4,003	434	223	9	3,590	3,655	6	65	3,807	11,938	5,694	6,244
July	4,006	126	167	54	3,826	3,872	5	46	3,654	12,218	5,820	6,398
August	3,675	164	14	2	3,841	3,931	0	90	3,827	12,068	5,656	6,412
September	4,080	107	117	2	4,185	4,192	—	7	4,302	11,844	5,549	6,295
October	4,160	317	124	29	4,448	4,465	5	17	4,320	11,651	5,232	6,419
November	3,818	777	99	2	4,593	4,629	0	36	4,692	10,775	4,455	6,320
1958: November	4,174	37	102	7	4,218	4,245	9	25	4,312	11,308	4,675	6,633

25. Supply & Demand of Pig-iron and Steel Materials (In tons)

(In tons)

(MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: April	727,775	128,722	396,044	816,739	609,691	306,363	63,456	51,028	31,103
May	795,051	137,127	340,625	1,044,196	745,450	324,224	66,941	54,085	29,487
June	783,700	134,991	354,976	1,029,186	771,518	311,468	69,858	53,455	30,687
July	803,079	140,982	368,141	1,033,272	757,164	316,918	69,795	53,776	31,526
August	792,972	140,123	338,412	1,069,805	765,281	340,810	73,143	56,518	32,731
September	804,500	131,150	330,230	1,105,769	792,310	369,954	73,227	54,850	35,310
1958: September	593,738	105,507	442,629	763,873	541,928	420,956	44,769	33,056	38,547

Notes: 80 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines. ▲ Revised at source.
Table In 22, the number of companies surveyed was increased from 80 to 127 retroactively to 1957.

26. Supply & Demand of Textile Goods (In tons for years; 1,000 sq. m. for textile) (MITI)

Year & Month	Cotton Yarn			Rayon Yarn			Staple Fiber Yarn			Cotton Textiles		
	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory
1959: May	35,693	22,851	19,841	9,545	6,137	12,411	15,592	14,008	10,607	226,056	231,012	467,742
June	39,651	24,413	20,239	9,643	6,676	12,422	17,034	14,496	10,036	232,968	238,059	439,673
July	39,331	25,045	20,910	9,895	7,278	12,194	18,396	15,219	9,158	228,533	231,725	428,164
Aug.	32,950	21,968	20,021	9,939	6,982	12,710	17,246	14,459	9,145	215,081	218,503	424,604
Sept.	43,748	27,567	22,531	10,139	7,107	12,462	19,271	15,842	9,554	244,172	243,625	428,665
Oct.	40,531	25,911	22,875	10,286	6,474	13,114	17,992	15,004	9,824	222,042	230,471	402,370
1958: Oct. . . .	35,533	24,536	21,704	7,559	5,069	10,487	15,290	14,091	14,596	211,369	208,376	482,500

27. Supply & Demand of Paper and Pulp (MITI)

Year & Month	Pulp (long ton)				Paper, Western Style (in ton)				Cardboard & Japanese Style Paper (in ton)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1959: Mar.	244,584	143,295	100,734	67,060	179,515	176,858	6,422	50,932	309,403	300,258	13,928	72,694
April	233,963	137,915	98,540	64,568	174,791	167,080	5,792	52,851	303,233	286,376	12,873	76,678
May	245,532	143,204	103,485	63,411	180,008	175,781	5,908	51,170	312,116	300,337	13,328	75,129
June	245,927	146,607	100,500	62,231	181,527	172,518	5,839	54,340	316,483	298,375	13,594	79,643
July	257,001	148,779	105,482	64,971	188,681	174,079	5,960	62,982	329,087	303,711	13,900	81,119
Aug.	253,873	145,221	108,332	65,291	184,409	172,904	6,075	68,412	324,024	302,851	13,660	98,625
Sept.	259,126	147,084	106,088	71,245	184,365	176,667	6,443	72,667	328,032	310,490	13,995	102,172
Oct.	271,186	158,874	111,593	71,964	193,815	180,035	6,729	79,718	345,776	322,540	15,920	109,488
1958: Oct. . . .	201,793	110,297	88,657	70,144	150,822	155,356	5,838	70,916	259,878	254,386	14,196	110,188

28. Supply & Demand of Soda and Ammonium Sulphate (In metric tons) (MITI)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: March	237,727	315,447	208,458	35,011	35,570	9,254	56,536	45,961	21,415
April	234,548	217,374	214,487	37,607	35,634	10,356	58,951	48,557	20,674
May	247,557	240,926	211,015	37,504	37,443	9,523	61,636	49,655	21,769
June	236,599	179,341	260,711	36,203	36,973	7,787	60,430	52,758	18,649
July	235,767	176,484	312,187	36,467	33,572	9,153	62,817	50,154	20,323
Aug.	219,389	182,220	340,301	38,478	37,422	8,626	63,893	50,442	22,247
Sept.	200,869	194,074	340,199	38,158	35,589	9,629	62,965	53,576	20,973
Oct.	193,135	200,960	343,574	40,555	38,707	9,907	68,189	56,520	22,167
Nov.	195,225	163,285	366,574	39,430	39,094	8,750	69,584	57,319	23,445
1958: Nov. . . .	225,320	178,373	361,711	31,322	29,246	10,719	54,347	43,515	19,154

29. Supply & Demand of Cement & Sheet Glass (MITI)

Year & Month	Cement(in 1,000 tons)				Sheet Glass (in 1,000 boxes)					
	Production	Consumption	Sales	Inventories at Month-end	Production	Consumption	Sales		Total	Inventories
							Exports	Domestic		
1959: April	1,384.7	7.7	1,326.8	389.9	674.6	89.0	153.3	559.0	712.3	742.0
May	1,498.6	7.7	1,433.0	447.6	758.7	65.5	156.6	618.7	775.4	679.1
June	1,401.3	8.4	1,408.5	431.7	802.0	81.1	157.6	605.4	763.0	649.7
July	1,393.2	6.5	1,447.4	370.6	916.1	93.5	159.6	589.6	749.2	728.1
Aug.	1,419.1	7.4	1,432.9	349.1	938.4	94.0	164.5	606.3	770.8	800.1
Sept.	1,511.8	9.1	1,539.8	312.4	860.5	100.6	143.2	663.5	806.6	764.8
Oct.	1,658.9	9.2	1,641.9	319.6	973.8	113.3	129.4	815.9	945.3	697.5
1958: Oct. . . .	1,389.7	4.6	1,389.4	359.9	790.5	96.5	110.5	637.4	747.9	747.1

30. Supply & Demand of Rubber & Vinyl Chloride Products (In tons) (MITI)

Year & Month	Rubber Goods				Vinyl Chloride Products					
	Production (A)	Sales (B)	Inventories at Month-end (C)	Delivery Rates (B/A)	Inventory Rates (C/A)	Production (A)	Sales (B)	Inventories Rates (C)	Delivery Rates (B/A)	Inventory Rates (C/A)
1959: April	13,976	14,055	5,821	101	42	11,187	11,089	5,084	99	45
May	14,363	14,381	5,853	100	41	10,953	10,683	5,442	97	50
June	14,701	14,918	6,145	101	42	11,227	10,619	5,962	95	53
July	15,335	15,133	6,447	99	42	11,234	10,775	6,405	96	57
Aug.	14,748	14,812	6,420	101	44	12,007	11,412	7,026	95	58
Sept.	15,788	15,811	6,340	100	40	12,978	12,907	7,089	99	55
Oct.	16,479	16,288	6,511	99	40	13,640	13,515	7,160	99	52
1958: Oct. . . .	12,575	12,880	6,272	103	50	8,223	8,264	6,000	100	75

31. Department Store Sales (In million yen) (MITI)

By Month	No. of Stores	Total	Clothing	Personal Effects	Sundry	Household Utensils	Provisions	Restaurant	Services	Outside Store Sales	Others	Gift Certificates
1959: May	211	26,637	12,108	2,255	3,030	3,666	4,023	994	232	10	320	249
June	211	27,081	12,801	2,291	2,849	3,803	3,827	940	196	11	363	284
July	211	38,667	17,167	2,895	3,841	4,793	8,114	1,162	198	19	478	1,037
Aug.	211	27,026	9,990	2,043	3,326	3,542	6,211	1,282	209	14	409	601
Sept.	211	23,231	10,385	1,760	2,791	3,230	3,619	905	202	10	330	206
Oct.	213	32,579	16,532	2,508	3,146	4,333	4,520	990	272	17	441	282
Nov.	219	33,786	17,990	2,359	3,060	4,280	4,345	1,039	269	22	414	293
1958: Nov. . . .	195	29,507	15,819	1,955	2,772	3,675	3,816	888	246	13	322	258

Notes: ▲ Revised at source.
Rates of conversion: 1,000 lb.=0.45359 tons for yarns; 1,000 sq. yds.=0.83613 sq. m. for textiles; 1 lb.=0.45359 kg. for papers.

32. JPA Procurement Contracts

(In \$1,000)

(Ministry of Finance)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1958 Average	11,959	5,616	6,343	—	—	—
1959: April	9,043	2,196	6,847	2,284,505	1,296,602	987,903
May	43,334	36,049	7,285	2,327,839	1,332,651	995,188
June	28,292	21,786	6,506	2,356,131	1,344,437	1,001,624
July	27,387	2,703	24,684	2,384,423	1,366,223	1,008,130
August	6,548	4,614	1,934	2,390,961	1,370,837	1,032,814
September	7,435	3,730	3,705	2,398,396	1,374,567	1,036,519
October	7,918	4,809	3,109	2,406,314	1,379,376	1,039,628
November	3,278	2,083	1,195	2,409,592	1,384,185	1,040,823
1958: November	5,902	4,001	1,901	2,254,140	1,281,761	972,379

33. JPA Procurement Payments

(In \$1,000)

(Ministry of Finance)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1958 Average	23,595	18,426	5,169	—	—	—
1958: February	17,275	12,757	4,518	3,268,387	2,515,434	752,953
1959: March	18,873	15,533	3,340	3,287,260	2,530,967	756,293
April	13,738	10,753	2,985	3,300,998	2,541,720	759,278
May	16,032	11,309	4,723	3,317,030	2,553,029	764,001
June	24,201	24,201	—	3,339,796	2,575,795	768,210
July	18,696	14,487	4,209	3,358,492	2,590,282	771,384
August	19,484	16,310	3,174	3,377,976	2,606,592	771,709
September	20,290	19,965	325	3,398,266	2,626,557	771,709
October	16,779	12,798	3,981	3,415,045	2,639,355	775,690
1958: October	25,411	22,767	2,644	3,182,962	2,449,858	733,104

34. Exports and Imports by Value

(Ministry of Finance)

Year & Month	Value (In \$1,000)			Value (in million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1959: April	261,054	299,041	37,987	93,979	107,655	13,675
May	277,660	322,074	44,413	99,958	115,947	15,989
June	272,718	325,139	52,421	98,178	117,050	18,871
July	299,940	313,773	13,833	107,978	112,958	4,980
August	301,513	289,910	11,603	108,545	104,367	4,177
September	282,244	298,777	16,533	101,608	107,560	5,952
October	345,483	297,600	47,883	124,374	107,136	17,238
November	292,493	289,177	3,316	105,298	104,104	1,194
December	394,517	372,831	21,686	142,026	134,219	7,807
1958: December	303,356	264,234	39,122	109,208	95,124	14,084

35. Exports and Imports by Continents*

(\$1,000; Customs Bureau, Finance Ministry)

Year & Month	'57, Total	'58, Total	'59, Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	'58 Nov.
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Total	2,858,018	2,876,560	261,054	277,660	272,718	299,940	301,513	282,244	345,483	292,493	237,225
Asia	1,146,414	1,074,322	100,912	98,838	90,488	93,119	90,894	94,014	112,485	97,583	83,234
S.E. Asia	754,107	649,520	61,792	58,335	53,758	60,877	60,477	61,557	77,283	68,830	53,898
Europe	326,549	333,301	23,512	26,267	23,020	34,959	37,456	33,152	46,048	31,138	35,010
N. America	725,898	848,456	90,618	101,882	114,092	100,294	128,627	105,433	115,779	106,843	73,827
S. America	93,824	114,982	7,619	10,563	9,203	118,266	13,237	10,840	11,782	21,469	10,464
Africa	498,952	415,511	31,406	35,373	26,118	36,859	20,048	27,099	47,535	24,593	26,265
Oceania	66,248	89,771	6,912	9,726	9,775	10,438	11,210	11,635	11,767	10,799	8,322
Total	4,283,586	3,033,125	299,041	322,074	325,139	313,773	289,910	298,777	297,600	289,717	222,645
Asia	1,246,062	982,448	98,285	105,588	109,019	100,952	93,100	88,530	102,408	100,055	78,373
S.E. Asia	620,306	427,073	46,587	52,455	56,019	51,402	50,600	47,971	50,600	48,654	36,716
Europe	391,889	268,654	29,917	37,580	34,747	32,342	28,087	30,480	27,840	27,511	20,361
N. America	1,978,541	1,356,682	126,968	128,944	137,200	133,454	119,019	125,821	112,204	106,908	90,060
S. America	122,086	80,687	8,656	5,810	5,608	7,534	10,534	12,405	14,678	10,360	10,214
Africa	103,788	83,737	9,155	11,638	11,100	13,653	12,106	11,122	10,916	12,487	5,022
Oceania	441,118	206,801	26,032	32,495	27,460	25,796	27,058	30,410	29,542	31,838	18,599

36. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

(Bank of Japan)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1958 Total	2,727,648	782,837	3,510,486	2,468,377	530,700	2,999,078	511,407
1959: Apr.	226,751	59,910	286,661	210,883	37,279	248,452	38,499
May	243,497	68,589	312,086	219,124	54,413	273,537	38,548
June	278,372	79,052	357,425	234,588	64,229	298,818	58,608
July	275,163	78,144	353,307	246,437	52,591	299,028	54,279
August	270,520	72,254	342,775	245,768	115,252	361,020	18,245
September	285,037	74,763	359,800	250,836	57,878	308,714	51,085
October	298,737	72,995	371,732	258,491	47,978	306,469	65,262
November	279,772	65,653	345,425	267,548	50,320	317,868	27,556
1958: November	227,039	68,431	295,471	199,181	34,565	233,746	61,724

Notes: The yen-base contracts in Table 32 are those contracts which the Japanese Government pays for according to the article 25 of the Japan-America Administrative Agreement out of "defense expenses." * includes optional cargoes in exports and imports from such special sources as pelagic fisheries, Japanese territorial waters, foreign territorial waters, and high seas in imports.

37. Exports and Imports by Country

(In 1,000 dollars)

(Ministry of Finance)

Settlement Area	Countries	Exports					Imports				
		July 1959	Aug. 1959	Sept. 1959	Oct. 1959	Nov. 1959	July 1959	Aug. 1959	Sept. 1959	Oct. 1959	Nov. 1959
	Total Exports or Imports . .	299,940	301,513	282,244	345,483	292,493	313,773	289,910	298,777	297,600	289,177
0	Korea	3,931	4,771	2,794	6,123	3,376	1,650	927	1,699	512	327
£A	China	397	256	177	232	240	1,702	1,106	1,523	1,704	1,568
\$	Rukyu Islands	6,085	6,275	5,414	2,439	7,503	1,249	1,189	1,197	1,517	1,006
£	Hong Kong	10,744	9,987	10,877	14,213	12,840	2,526	2,825	2,685	2,639	2,361
0	Formosa	7,502	6,866	9,346	7,631	6,049	2,987	1,207	1,027	1,485	5,497
\$	South Viet Nam	6,645	5,596	5,448	3,926	3,940	155	171	119	29	147
£A	Thailand	6,913	7,666	7,299	10,284	9,613	3,504	2,375	1,822	2,187	3,503
£	Malaya Union	1,456	1,623	1,463	1,862	2,014	15,717	16,300	15,315	15,245	14,716
£	Singapore	6,000	5,777	5,528	6,171	6,720	528	634	910	1,063	782
£A	Philippines	7,972	8,467	7,243	15,372	9,367	11,273	11,803	11,182	11,113	11,576
£	British Borneo	136	167	205	156	128	5,562	4,948	4,807	5,781	4,905
£A	Indonesia	8,719	6,453	7,070	3,771	4,494	5,225	4,211	3,993	6,054	4,504
£	Burma	3,877	3,871	5,699	6,414	5,904	577	254	183	917	629
£	India	3,154	5,218	6,311	9,813	6,000	8,083	8,038	8,552	8,007	7,557
£	Pakistan	2,118	1,417	1,574	2,649	3,476	3,109	2,746	1,854	2,177	1,530
£	Ceylon	2,173	2,257	2,231	2,052	3,193	543	1,080	1,099	682	630
\$	Iran	3,671	3,879	3,188	4,931	2,611	3,042	2,942	1,531	1,613	907
£	Iraq	2,767	1,785	976	1,137	766	2,795	3,164	5,665	6,324	6,837
\$	Saudi Arabia	866	932	828	826	766	12,180	10,811	7,413	11,166	10,604
0	Kwait	1,989	2,196	1,606	1,275	1,376	11,290	8,822	10,140	14,428	13,822
£A	Sweden	1,674	1,905	1,632	2,030	1,609	789	673	608	613	696
£	Denmark	1,081	939	789	913	638	583	184	417	458	244
£	United Kingdom	6,486	10,026	11,458	16,053	6,891	7,866	7,940	8,588	5,752	7,698
£A	Netherlands	3,016	3,506	2,601	2,120	2,865	2,551	2,239	2,515	3,099	2,035
\$	Belgium	1,649	2,001	1,733	1,729	1,834	1,361	1,959	1,573	746	1,245
£A	France	962	1,459	1,263	1,370	1,069	3,308	2,332	1,729	1,744	2,355
£A	West Germany	3,622	3,911	3,696	5,208	5,275	6,833	8,334	8,131	8,921	6,874
£A	Switzerland	2,059	2,341	2,851	3,703	2,506	2,612	1,487	1,693	2,046	1,741
£A	Italy	1,221	1,655	1,479	2,025	1,432	1,264	423	2,302	529	1,008
\$	U.S.S.R. (in Asia zone) . .	1,169	773	4,841	1,628	2,878	4,695	5,211	3,503	4,145	4,270
\$	Canada	10,782	11,339	9,561	9,530	9,880	14,045	14,920	13,480	9,774	11,979
\$	U.S.A.	88,918	101,208	89,018	99,419	88,799	97,463	88,859	93,447	82,334	78,396
\$	Mexico	1,297	1,294	1,379	1,366	1,990	6,348	5,959	12,016	14,604	1,255
\$	Panama	673	9,512	850	1,329	1,092	373	1,080	624	1,040	17
\$	Cuba	775	916	614	840	797	7,352	2,723	3,705	2,882	2,869
\$	Venezuela	10,531	3,944	3,660	3,417	9,948	173	118	131	54	70
\$	Peru	857	835	779	619	854	2,239	2,536	1,879	1,096	1,735
\$	Chile	850	843	744	677	1,501	881	844	1,693	2,052	680
0	Brazil	3,034	2,947	2,110	2,291	3,046	1,889	5,003	6,438	7,535	3,329
£A	Argentina	830	2,975	1,864	2,814	3,590	1,493	1,623	2,383	2,943	4,047
0	Egypt	365	502	388	865	1,806	2,175	1,867	1,374	853	1,641
£	British West Africa	4,357	4,415	6,017	6,714	5,354	909	692	1,098	480	773
\$	Liberia	20,636	655	9,383	28,483	6,713	198	2	221	238	7
\$	Ghana	2,280	1,865	2,430	2,334	1,904	185	151	204	221	519
\$	British South Africa	2,297	2,514	2,672	3,017	3,327	2,748	2,535	2,004	1,707	1,650
£	Union of South Africa . . .	4,449	7,367	3,582	3,709	3,343	2,964	2,822	2,144	3,475	4,106
£	Australia	6,894	7,658	7,905	7,815	6,284	22,527	23,122	26,180	24,116	27,492
£	New Zealand	1,065	1,159	729	1,521	1,800	1,448	2,223	1,111	2,360	2,118

Note: 0 denotes open account area; \$, dollar area; £, sterling area. £A stands for Specified Area A and B.

*Southeast Asia Total includes Hong Kong, South Vietnam, Cambodia, Laos, Thailand, Malaya, Singapore, the Philippines, Indonesia, Burma, India, Pakistan, and Ceylon. ▲ Revised at source.

38. Exports by Major Articles

(In million yen)

(Ministry of Finance)

Articles	Unit	1959						1959		1958	
		September		October		November		Jan.-Nov.		Jan.-Nov.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Exports	—	—	101,608	—	124,374	—	105,298	—	1,103,320	—	926,353
Food	—	—	9,693	—	11,302	—	8,017	—	81,556	—	72,296
Fish & Shellfish	m.t.	—	80	34,384	9,127	22,137	4,919	274,098	56,404	237,749	53,090
Fresh Fish	"	12,923	1,227	11,748	1,315	8,069	978	129,047	13,178	103,974	12,886
Tuna	"	11,327	959	9,972	1,048	6,278	697	109,698	10,558	82,714	8,565
Canned, Bottled Fish	"	17,964	6,121	20,584	7,436	12,922	3,614	128,305	38,851	119,771	37,313
Salmon	"	8,463	3,494	11,200	5,137	5,048	2,103	51,603	19,305	44,693	19,417
Tuna	"	1,947	757	2,246	790	1,097	325	15,421	5,163	17,783	5,287
Fruit & Vegetables	"	14,702	974	8,997	763	24,529	1,592	156,485	12,857	120,697	10,255
Canned, Bottled Fruits	"	2,755	353	2,185	289	865	110	53,654	6,950	46,121	5,753
Tea	"	599	113	595	112	679	115	7,267	1,489	7,095	1,555
Beverage & Tobacco	—	—	152	—	462	—	164	—	2,132	—	1,666
Raw Materials, except Fuels	—	—	3,727	—	4,545	—	3,959	—	34,893	—	23,800
Lumber	cu.m.	33,239	758	39,381	899	32,618	750	414,308	8,981	430,048	8,375
Textile Fibre & Waste	m.t.	3,875	2,519	4,778	3,208	4,156	2,775	43,470	21,091	36,006	11,448
Raw Silk	"	650	1,965	797	2,448	679	2,161	4,857	14,583	2,370	6,889
Mineral Fuels	—	—	294	—	359	—	314	—	3,582	—	4,075
Animal & Vegetable Oils	—	—	293	—	354	—	729	—	10,304	—	10,135
Animal Oil	m.t.	202	97	804	149	6,199	566	97,439	7,930	99,774	8,418
Whale Oil	"	—	—	430	31	5,788	377	93,792	6,146	108,584	6,782
Vegetable Oil	"	1,986	193	1,972	203	1,672	161	24,764	2,312	17,476	1,696
Chemicals, Drugs	—	—	4,666	—	5,295	—	4,016	—	54,530	—	44,738
Pharmaceuticals	—	—	551	—	502	—	457	—	4,717	—	4,271
Chemical Fertilizers	m.t.	109,824	2,079	128,935	2,898	75,862	1,616	1,468,905	27,138	1,107,103	21,954
Manufactured Products by Materials	—	—	43,003	—	48,005	—	47,556	—	472,804	—	433,366
Rubber Goods	—	—	789	—	940	—	769	—	8,895	—	7,554
Wood & Cork Products	—	—	2,626	—	3,071	—	2,672	—	32,083	—	24,423
Plywood	1,000 s.m.	7,515	1,988	8,072	2,352	7,230	2,068	95,830	24,455	79,198	18,397
Paper & Related Products	m.t.	11,736	1,149	9,582	1,064	11,297	1,231	111,008	11,074	105,211	10,123
Textile Yarns & Fabrics	—	—	22,942	—	24,040	—	24,030	—	238,594	—	227,030
Woollen Yarn	m.t.	287	382	286	386	265	352	3,278	4,375	3,205	4,422
Cotton Yarn	"	964	577	907	567	686	388	9,874	5,778	10,596	6,992
Rayon Yarn	"	1,233	444	1,299	475	1,526	540	11,279	4,041	8,960	3,231
Spun Rayon Yarn	"	2,164	639	1,529	486	1,525	497	14,703	4,623	16,808	5,063
Cotton Fabrics	1,000 s.m.	88,441	8,851	89,041	9,139	88,741	9,073	930,109	91,828	929,797	89,057
Silk Fabrics	"	7,479	1,636	8,419	1,784	9,055	1,885	74,971	15,615	47,226	10,579
Woollen Fabrics	"	2,055	1,211	2,585	1,590	2,762	1,705	24,132	14,600	17,062	10,790
Rayon Fabrics	"	17,520	1,388	16,878	1,391	18,296	1,554	211,581	16,150	275,567	20,256
Spun Rayon Fabrics	"	49,660	3,511	46,222	3,340	42,198	3,097	515,931	35,058	650,782	40,856
Non-Metallic Mineral Products	—	—	3,072	—	4,145	—	3,765	—	40,740	—	34,984
Cement	m.t.	115,806	643	92,784	516	122,785	648	1,390,910	7,751	1,525,969	9,045
Glass & Glass Products	—	—	695	—	675	—	657	—	7,168	—	5,308
Chinaware	—	—	1,292	—	2,208	—	1,800	—	18,799	—	15,666
Pearls	kg.	3,578	649	4,471	805	4,072	756	39,515	7,886	31,276	5,821
Base Metals	—	—	7,723	—	8,637	—	9,819	—	89,400	—	91,157
Iron & Steel	m.t.	118,115	7,020	132,284	7,916	140,852	8,917	1,439,780	80,710	1,480,106	80,390
Steel Plates (ungalvanized)	"	24,788	1,363	28,857	1,620	28,700	1,679	335,986	16,639	382,437	21,283
Galvanized Steel Plates	"	19,579	1,336	26,179	1,799	24,875	1,726	246,461	16,564	222,051	15,421
Non-ferrous Metals	"	3,331	703	2,866	721	2,568	902	33,139	8,689	34,451	10,767
Metal Products	—	—	3,538	—	4,668	—	3,951	—	34,430	—	27,880
Machinery & Transportation Equipment	—	—	20,623	—	33,291	—	23,128	—	257,897	—	204,484
Machinery (excl. electric machines)	—	—	5,583	—	6,105	—	6,272	—	53,409	—	42,670
Textile Machines & Parts	—	—	1,235	—	978	—	1,432	—	10,603	—	8,774
Sewing Machines	—	154,827	1,457	160,115	1,452	161,655	1,482	1,754,642	16,655	1,555,338	13,831
Electric Machine	unit	—	6,924	—	9,633	—	7,974	—	63,350	—	31,449
Gen. Motors, Trans. & Alternators	—	—	307	—	1,221	—	635	—	6,054	—	2,928
Electric Bulbs	1,000 pcs.	34,679	357	26,359	269	14,949	191	314,888	3,210	335,720	3,173
Transportation Equipment	—	—	8,117	—	17,553	—	8,881	—	141,139	—	130,366
Railway Rolling Stock & Parts	—	—	260	—	327	—	514	—	4,874	—	8,180
Buses, Trucks	unit	1,227	1,091	913	715	950	653	11,122	10,725	4,947	4,335
Bicycles & Parts	—	—	339	—	342	—	383	—	3,299	—	2,163
Ships	G.T.	44,678	5,623	130,488	15,162	61,277	6,582	1,014,972	114,384	1,090,180	109,739
Miscellaneous	—	—	18,866	—	20,225	—	16,932	—	180,629	—	128,124
Clothing	—	—	7,072	—	6,942	—	5,719	—	66,481	—	47,778
Camera	unit	88,229	729	113,451	894	96,065	696	798,662	6,388	644,567	5,097
Toys	—	—	3,263	—	3,058	—	2,002	—	28,303	—	22,178
Live Animals not for Food	—	—	34	—	47	—	29	—	251	—	225
Re-export Goods	—	—	257	—	490	—	453	—	3,742	—	3,443

Note: Figures of group total include others than represented.

39. Imports by Major Articles

(In million yen)

(Ministry of Finance)

Articles	Units	1959								1958	
		September		October		November		Jan.-Nov.		Jan.-Nov.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Imports	—	—	107,560	—	107,136	—	104,104	—	1,161,182	—	996,800
Food	—	—	12,231	—	10,108	—	12,351	—	156,870	—	172,810
Cereals & Cereal Preparations	m.t.	296,922	6,703	213,549	4,799	272,817	6,898	3,780,964	93,668	3,935,701	106,371
Wheat	..	199,305	4,605	130,653	3,026	147,185	3,566	2,152,097	51,534	2,096,877	51,141
Rice	..	68	3	2	0	18,866	1,027	247,348	11,938	502,370	25,942
Barley	..	33,832	638	15,103	279	—	—	488,367	10,192	702,837	14,644
Maize (Corn)	..	56,641	1,211	60,848	1,249	100,325	2,071	797,110	16,805	574,963	12,525
Fruit & Vegetables	..	9,449	1,035	14,114	911	15,002	923	153,423	9,839	140,838	8,636
Sugar & Sugar Preparations	..	124,446	2,999	92,342	2,436	115,352	2,905	1,362,863	37,516	1,252,187	41,234
Coffee	..	524	169	735	242	—	490	—	7,052	—	6,322
Beverage & Tobacco	—	—	28	—	50,386	—	71	—	4,898	—	2,148
Tobacco	—	—	15	—	11,010	—	4	—	4,363	—	1,678
Raw Materials, except Fuels	—	—	54,962	—	53,213	—	51,484	—	554,605	—	426,922
Hides & Skins	m.t.	—	1,523	—	1,083	—	789	—	13,649	—	8,589
Oil Seeds	..	149,411	5,888	77,827	3,376	76,854	3,401	1,330,563	51,842	1,098,494	43,128
Soy-beans	..	110,003	3,906	35,932	1,304	39,452	1,369	884,827	30,615	792,430	28,698
Rubber	..	18,433	4,389	18,730	4,466	17,532	4,249	196,820	44,786	146,526	27,460
Crude Rubber	..	11,767	3,058	8,793	2,389	10,312	2,822	127,788	30,872	109,106	20,493
Lumber & Cork	..	—	4,337	—	5,256	—	4,857	—	43,330	—	29,629
Lumber	c.m.	505,083	4,246	562,115	5,189	525,023	4,773	5,087,064	42,538	3,782,731	28,904
Pulp & Waste Papers	..	—	562	—	772	—	516	—	6,556	—	4,174
Textile Fibres & Waste	m.t.	71,902	16,612	77,416	18,257	72,414	18,185	867,720	202,798	742,868	200,920
Wool	..	11,577	5,405	12,420	6,285	14,210	7,444	149,408	66,561	112,092	63,902
Cotton	..	47,241	9,302	53,608	10,372	45,704	8,923	584,448	112,992	525,589	120,044
Cotton, Ginned	..	43,846	8,889	49,916	9,915	42,502	8,548	536,299	108,371	466,870	113,190
Hard & Bast Fibres	..	11,396	1,111	9,802	940	10,508	1,029	108,684	10,093	89,074	8,003
Fertilizers & Non-metallic Minerals	—	—	2,466	—	2,496	—	2,607	—	25,900	—	21,904
Crude Fertilizers	m.t.	119,838	678	139,378	771	157,823	914	1,611,730	9,056	1,423,101	8,924
Salt	..	175,891	535	159,831	487	172,635	538	1,724,029	5,192	1,492,497	4,561
Metal Ores & Metal Scrap	..	1,712,410	18,729	1,640,411	16,897	1,506,578	16,330	15,500,553	160,149	9,397,513	85,190
Iron Ore	..	925,549	4,658	1,028,366	5,065	909,401	4,631	9,437,517	47,306	7,002,622	41,178
Scrap Iron	..	472,630	8,739	369,176	6,866	388,072	7,157	3,677,033	66,169	1,231,689	21,451
Non-ferrous Metal Ores	..	307,278	4,132	235,972	3,726	202,719	3,408	2,314,745	34,237	1,124,701	16,788
Copper Ore	..	43,257	2,044	28,899	1,682	27,676	1,386	312,982	15,609	194,978	6,910
Nickel Ore	..	107,710	702	85,378	552	41,127	284	596,781	3,971	195,152	1,932
Aluminium Ore	..	103,877	442	75,660	352	68,914	250	752,455	2,842	406,988	1,730
Manganese Ore	..	12,272	119	10,016	99,923	27,183	298	261,378	2,968	156,355	2,178
Non-ferrous Metal Scrap	..	6,953	1,198	6,897	1,239	6,386	1,133	71,266	12,429	38,501	5,764
Copper Scrap	..	66	15	95	21	190	51	1,070	264	2,535	519
Brass Scrap	..	5,121	924	5,520	1,029	4,618	846	56,174	10,272	28,505	4,540
Mineral Fuels	—	—	15,006	—	20,824	—	18,483	—	181,595	—	169,254
Coal	m.t.	468,576	3,014	531,780	3,334	416,319	2,635	4,554,655	29,313	4,314,228	32,531
Anthracite	..	29,893	191	37,144	222	40,041	243	465,501	2,849	440,238	2,889
Bituminous (for coking)	..	45,537	267	53,583	318	35,567	217	592,489	3,619	835,612	5,878
Petroleum	k.l.	1,809,295	11,654	2,745,071	17,164	2,582,792	15,640	22,893,589	149,309	17,851,295	134,751
Crude & Unrefined	..	1,568,675	9,759	2,323,400	13,817	2,199,880	12,707	19,700,293	124,502	14,875,006	107,712
Heavy Oil	..	221,838	1,372	368,944	2,457	349,433	2,289	2,946,756	19,268	2,691,889	21,969
Animal & Vegetable Oils	—	—	1,162	—	801,161	—	889	—	11,603	—	10,290
Animal Fats & Oils	m.t.	14,612	1,021	7,087	500	9,739	617	127,825	9,330	105,783	8,245
Beef Tallow	..	14,526	1,006	6,976	469,786	9,720	604	124,107	8,880	104,156	8,048
Vegetable Oils	..	830	104	2,711	263	2,035	241	19,986	1,926	16,264	1,734
Chemicals, Drugs	—	—	7,787	—	7,504	—	6,982	—	71,618	—	53,522
Inorganic Chemicals	..	—	519	—	428	—	421	—	4,218	—	2,940
Organic Chemicals	..	—	1,725	—	983	—	1,189	—	14,006	—	10,531
Potassic Fertilizers	m.t.	—	1,264	—	1,125	—	1,244	—	10,280	—	9,733
Synthetic Plastic Materials	..	4,503	1,338	5,263	1,690	4,884	1,459	43,229	13,187	24,990	7,485
Manufactured Products by Materials	—	—	6,077	—	4,741	—	5,468	—	46,422	—	33,501
Textile Yarns & Fabrics	..	—	799	—	1,982	—	184	—	4,828	—	4,422
Base Metals	m.t.	80,647	3,825	88,186	3,252	95,810	4,183	539,617	29,973	171,663	17,851
Iron & Steel	..	73,970	2,031	84,639	1,955	90,111	2,244	488,357	14,284	141,793	8,761
Non-ferrous Metals	..	6,677	1,794	3,548	1,296	5,699	1,939	51,261	15,688	29,870	9,655
Copper	..	1,073	289	874	205	903	219	20,422	4,098	10,711	2,513
Lead	..	51	4	108	8,434	283	21	1,726	133	3,232	270
Tin	..	690	557	779	624	1,162	931	8,687	6,891	6,526	4,794
Machinery & Transportation Equipment	—	—	8,775	—	8,174	—	6,985	—	116,378	—	112,403
Machinery (excl. electric machines)	..	—	6,064	—	4,884	—	5,297	—	86,006	—	89,301
Electric Machines	..	—	832	—	1,121	—	560	—	12,301	—	9,875
Transportation Equipments	..	—	1,879	—	2,170	—	1,128	—	18,071	—	13,228
Passenger Cars, complete	unit	307	168	480	159	137	114	5,886	2,881	4,731	2,745
Aircraft & Parts	—	—	421	—	496	—	248	—	4,188	—	6,756
Miscellaneous	—	—	1,319	—	421	—	311	—	4,235	—	3,645
Live Animals not for Food	..	—	16	—	17	—	44	—	226	—	231
Re-import Goods	—	—	197	—	151	—	90	—	1,627	—	1,214

Note : Figures of group total include other items not represented above.

40. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1959			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1959		
			December		Jan. 18				December		Jan. 18
			High	Low					High	Low	
Mining						Coal & Petroleum					
Mitsubishi Metal Mining	4,095	12	130	95	110	Nippon Oil	10,000	12	281	201	143
Nihon Mining	5,670	12	170	119	140	Showa Oil	3,000	10	165	118	138
Sumitomo Metal Mining	3,218	12	129	95	105	Maruzen Oil	11,025	15	155	117	135
Mitsui Metal Mining	4,800	15	115	94	101	Mitsubishi Oil	2,919	10	258	191	211
Mitsui Mining	3,000	—	59	47	49	Toa Nenryo Kogyo	5,990	20	368	263	327
Mitsubishi Mining	5,400	—	55	43	45	Mitsubishi Chemical Ind.	5,950	12	171	133	183
Sumitomo Coal Mining	2,460	10	62	50	50	Rubber, Glass & Ceramics					
Furukawa Mining	3,307	5	70	58	58	Yokohama Rubber	2,000	10	155	120	127
Ube Industries	9,225	10	103	80	87	Asahi Glass	5,000	18	360	300	346
Teikoku Oil	4,000	12	128	97	138	Nippon Sheet Glass	2,500	20	286	237	275
Dowa Mining	3,045	10	176	124	147	Nihon Cement	5,000	15	182	145	178
Foodstuffs						Iwaki Cement	1,000	36	565	485	580
Nippon Suisan	5,941	6	110	72	83	Onoda Cement	12,000	13	115	94	108
Nippon Flour Mills	1,440	15	129	124	129	Nippon Toki	800	23	330	301	360
Nisshin Flour Milling	1,500	16	150	138	140	Nippon Gaishi	1,000	20	322	265	324
Dainippon Sugar Mfg.	720	25	329	300	330	Metal Industries					
Taito	600	30	360	330	355	Yawata Iron & Steel	38,000	12	140	109	124
Japan Beet Sugar Mfg.	1,350	16	200	165	178	Fuji Iron & Steel	33,000	12	120	90	106
Morinaga Confectionery	1,200	30	190	169	187	Kawasaki Steel	16,731	6	109	80	93
Meiji Confectionery	1,260	18	325	280	195	Nippon Kokan	22,500	12	104	78	86
Nippon Breweries	2,800	18	265	238	271	Sumitomo Metal Ind.	17,292	6	92	70	80
Asahi Breweries	2,800	18	272	250	280	Kobe Steel	12,000	12	115	82	103
Kirin Breweries	4,151	20	302	265	305	Tokyo Rope	800	15	229	220	225
Takara Shuzo	5,890	15	131	100	129	Japan Light Metal	3,630	10	455	340	445
Japan Distilling	1,155	6	95	70	89	Toyo Seikan	(A) 1,600	15	1,330	1,270	1,265
Honen Oil Mills	1,500	17	195	172	180	Machinery					
Nissin Oil Mills	1,000	20	180	160	170	Ebara Mfg.	1,200	20	315	277	307
Noda Soy Sauce	1,200	22	318	293	305	Nippon Seiko	1,600	20	193	151	186
Ajinomoto	2,296	25	401	342	411	Toyo Bearing	1,300	20	228	176	219
Nippon Cold Storage	3,000	14	122	100	112	Koyo Seiko	14,000	25	185	138	180
Textiles						Electric Machinery					
Toyo Spinning	8,062	16	148	128	130	Hitachi Ltd.	30,000	15	289	180	217
Kanegafuchi Spinning	4,005	12	125	106	109	Tokyo Shibaura Electric	25,000	15	228	180	216
Dai Nippon Spinning	6,562	18	127	105	109	Mitsubishi Electric	12,800	15	236	174	218
Fuji Spinning	3,600	16	92	83	84	Fuji Electric Mfg.	5,400	15	286	217	268
Nisshin Cotton Spinning	2,028	26	230	190	196	Furukawa Electric	6,000	12	147	100	138
Kurashiki Spinning	3,200	18	117	105	105	Nippon Electric	8,000	15	535	233	305
Nitto Spinning	1,700	12	88	75	77	Transportation Equipment					
Ohmi Kenshi Spinning	2,249	8	81	65	65	Mitsubishi Shipbuilding &	11,200	12	122	82	110
Japan Wool Textile	2,816	20	138	121	125	Engineering					
Daito Woollen Spinning	1,500	15	90	77	79	Mitsubishi Nippon Heavy Ind.	4,500	12	146	100	143
Chuo Textile	1,220	8	61	52	49	Mitsui Shipbuilding &	4,500	15	177	95	108
Teikoku Rayon	5,557	12	155	122	128	Engineering					
Toyo Rayon	12,000	18	300	242	261	Mitsubishi Heavy Ind. Reorg.	12,348	12	273	200	223
Toho Rayon	1,545	8	141	101	110	Ishikawajima Heavy Ind.	5,200	12	134	90	120
Mitsubishi Rayon	2,480	12	146	115	124	Nissan Motor	6,930	15	322	216	272
Kurashiki Rayon	3,000	15	209	153	162	Isuzu Motor	5,000	16	220	158	200
Asahi Chemical	(B) 8,000	18	448	385	295	Toyota Motor	10,500	20	375	275	341
Paper & Pulp						Precision Machinery					
Nippon Kogaku	554	—				Nippon Kogaku	554	—	166	107	140
Canon Camera	1,600	10	208	157	235	Canon Camera	1,600	10	208	157	235
Other Manufacturing Industries						Other Manufacturing Industries					
Toppan Printing	750	18	390	335	269	Toppan Printing	750	18	390	335	269
Nippon Musical Instrument	1,000	20	485	365	460	Nippon Musical Instrument	1,000	20	485	365	460
Trading Companies						Trading Companies					
Mitsui Bussan	6,223	14	342	290	369	Mitsui Bussan	6,223	14	342	290	369
Mitsubishi Shoji	5,000	14	295	223	297	Mitsubishi Shoji	5,000	14	295	223	297
Mitsukoshi	2,430	20	324	264	288	Mitsukoshi	2,430	20	324	264	288
Real Estate						Real Estate					
Mitsui Real Estate	1,000	15	512	426	515	Mitsui Real Estate	1,000	15	512	426	515
Mitsubishi Estate	5,160	15	299	237	290	Mitsubishi Estate	5,160	15	299	237	290
Heiwa Real Estate	1,323	12	329	260	218	Heiwa Real Estate	1,323	12	329	260	218
Transportation & Shipping						Transportation & Shipping					
Tobu Railways	2,400	12	127	124	125	Tobu Railways	2,400	12	127	124	125
Tokyo El. Express Railway	4,500	12	103	100	101	Tokyo El. Express Railway	4,500	12	103	100	101
Nippon Express	(B) 21,600	14	184	137	150	Nippon Express	(B) 21,600	14	184	137	150
Nippon Yusen	11,400	—	74	51	72	Nippon Yusen	11,400	—	74	51	72
Osaka Shosen	7,600	—	50	32	43	Osaka Shosen	7,600	—	50	32	43
Nitto Steamship	6,050	—	64	41	55	Nitto Steamship	6,050	—	64	41	55
Mitsui Steamship	5,500	—	65	46	61	Mitsui Steamship	5,500	—	65	46	61
Iino Kaiun	13,200	—	47	32	40	Iino Kaiun	13,200	—	47	32	40
Mitsubishi Shipping	4,800	—	61	46	51	Mitsubishi Shipping	4,800	—	61	46	51
Warehouse & Entertainment						Warehouse & Entertainment					
Mitsubishi Warehouse	1,200	10	102	90	98	Mitsubishi Warehouse	1,200	10	102	90	98
Shochiku Motion Picture	2,772	12	81	70	74	Shochiku Motion Picture	2,772	12	81	70	74
Nikkatsu	3,366	10	75	59	70	Nikkatsu	3,366	10	75	59	70

Notes: (A) 500 yen shares. (B) 100 yen shares. Rest are all 50 yen. □ ex-new.

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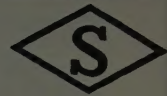
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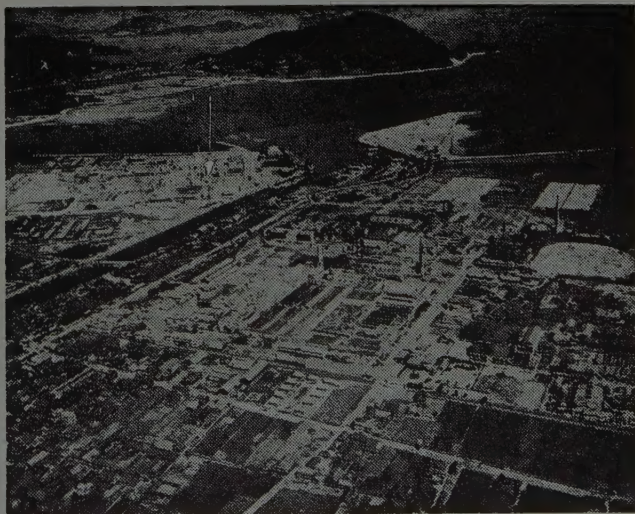
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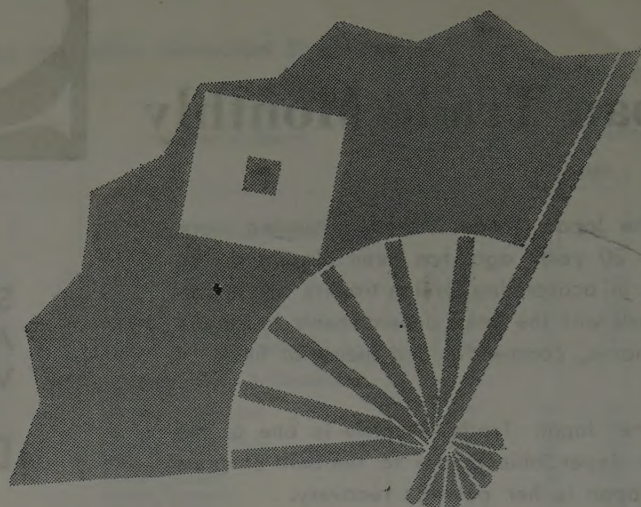


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